



NEWS SUMMARY

GENERAL

Thorpe may defy Steel

Former Liberal leader Mr. Jeremy Thorpe is expected to defy a request from party chieftains to stay away from next week's Liberal conference in Southport.

The request, thought to have been made first by party leader Mr. David Steel and endorsed by Liberal party chairman Lord Evans of Clifton, was the latest move by the party to distance itself from Mr. Thorpe, in the light of charges he now faces.

By going to Southport, Mr. Thorpe may hope to appeal to his traditional supporters. His attendance would be backed by his local North Devon Liberal Party. Back Page

Suspect isolated

Mrs. Cheryl Hall, 23, who works at the Birmingham hospital where smallpox victim Mrs. Janet Parker was first admitted, went into isolation after developing a rash. A Birmingham inquest found that smallpox expert Professor Henry Bedson killed himself after Mrs. Parker contracted the disease.

Reprisal fear

As Rhodesian troops hunted nationalist guerrillas who mortared Umtali, President Kaunda of Zambia confirmed that he believed Rhodesia was planning to attack his country in reprisal for the missile attack on an Air Rhodesia Viscount. Page 2

City threatened

As troops and civilians fought to save India's historic city of Allahabad, threatened by rising floods, Prime Minister Mr. James Callaghan sent a message of sympathy to the flood victims via Indian Premier Mr. Morarji Desai. Page 2

Peace talks

President Carter held late night talks with Egyptian President Anwar Sadat as the Camp David Middle East peace summit moved towards a working weekend. In Beirut, Syrian peacekeeping forces pounded Christian districts with heavy artillery. Page 2

Court cleared

The Old Bailey secrets trial continued behind closed doors when tape recordings of an alleged interview between a former Army intelligence corporal and two journalists were played to the jury. Page 2

Canals scheme

Environment Secretary Mr. Peter Shore approved a £10m British Waterways Board scheme to improve the canal network between Doncaster and Rotherham. Page 3

Killing studied

The Director of Public Prosecutions is to study a file on the killing of a teenage boy in Ulster by two SAS men as they lay in wait near an arms cache. Page 15

Airport vigil

Police stepped up security after radicals severed cable lines and paralysed 30,000 telephone and telex links in a fresh sabotage attempt against Tokyo's new international airport. Page 15

Briefly...

Former Beatle George Harrison was married in secret at Henley-on-Thames Register Office to Olivia Arias.

The Who drummer Keith Moon died from a drug overdose, a post-mortem revealed.

More than 50 people were arrested in clashes between police and anti-Government demonstrators in Karachi.

Darwin waitress was thrown out of an "official" dinner for Australian Premier Malcolm Fraser, after she took a tomato off his plate and ate it. Ricardo Zamora, one of the world's greatest goalkeepers, died in Barcelona, aged 77.

U.S. businessman Jay Crawford, given a suspended sentence in Moscow for currency offences, left Moscow for the West. Page 14

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)	Metal Box	374 + 36
Rises	Nw Throgmorton Cap.	151 + 10
Barclays Bank	558 + 10	565 + 6
Blue Circle	236 + 3	244 + 12
Booker McConnel	234 + 10	234 + 12
British Sugar	132 + 7	132 + 5
Brown (J)	478 + 12	478 + 10
Campani	115 + 5	115 + 10
Collins (Wm) A	143 + 6	143 + 5
Distillers	207 + 4	207 + 5
Dowty	297 + 12	297 + 12
Eastwood (J. B.)	158 + 13	158 + 13
Glaxo	628 + 13	628 + 13
GUS A	264 + 12	264 + 12
Hawker Siddeley	323 + 11	323 + 11
Hunting Assoc. Inds	410 + 5	410 + 5
ICL	358 + 10	358 + 10
Lookers	65 + 11	65 + 11
AL L Holdings	195 + 11	195 + 11
President Stein	880 + 50	880 + 50
St. Helena	899 + 49	899 + 49

Scornful Thatcher attacks PM's survival tactics

BY RUPERT CORNWELL, LOBBY STAFF

Mrs. Margaret Thatcher last night accused the Prime Minister of scorning the national interest by drifting on aimlessly. His "broken-backed Government" was bent on surviving by day-to-day deals with minor parties, she said.

As politicians and party leaders collected their thoughts after Mr. Callaghan's surprise decision to avoid an October election, the Opposition leader insisted that although he had put the day of reckoning voters sooner or later would seize the chance to eject Labour from office.

But last night the Scottish Nationalist Party, whose 11 MPs at Westminster offer Mr. Callaghan his most realistic chance of surviving the vital Queen's Speech division, remained split between those who want to support the Government to secure the devolution referendum as soon as possible, and those who wish to bring about a general election.

The postponement will mean little let-up in the pre-election race. Last night Cabinet Ministers, led by Mr. Denis Healey, the Chancellor, and Mr. Michael Foot, the deputy Labour leader, couched a vigorous defence of Mr. Callaghan's decision with a savage onslaught on the "vulgar dishonesty" and "frenzied fury" of the arguments expounded in the current Tory advertising campaign.

The Prime Minister had claimed that it was best for Britain if the Government succeeded. "But the longer he puts things off the worse they will become, and the worse they become the longer it will take to put them right."

Mr. Callaghan said that none of the terms on which the Government might be supported.

Instead, the party reiterated its concern with the unemployment situation in Scotland, the continued "embetelement" by London of Scottish oil revenues, and the continued denial of self-government for Scotland. The

MPs would decide their attitude of our problems this winter.

Continued on Back Page

U.S. wholesale prices fall slightly

BY JUREK MARTIN, U.S. EDITOR

FURTHER EVIDENCE of what could be expected in the second half of the year, largely because of inflationary pressures in the U.S., was provided this morning with the news that wholesale prices fell fractionally last month.

The producer price index for finished goods, successor to the wholesale price index, dropped by 0.1 per cent in August, having gone up by 0.5 and 0.7 per cent respectively in the two previous months. This is the first decline in the index since August 1976.

Inevitably, lower food prices were the principal factor: the food component of the index dropped by 1.5 per cent, while the price of food at intermediate and crude stages of processing fell by even more. This suggests that continued relief from the farm sector is in store for retail prices in the months ahead.

More encouraging was the fact that the index for non-food items went up last month by just 0.4 per cent—only half the rate in July.

The Carter Administration has been saying for some months that inflation is falling. The index for the quarter ending July has been said to be 8.6 per cent, down from 9.2 per cent in the previous year, say

Continued on Back Page

Imps wins battle for Eastwood

BY ANDREW TAYLOR

IMPERIAL GROUP has won its battle to take over J. B. Wagstaffe's financial advisor, said: "We are naturally sad about this but we did not feel it was worth paying more than £32p a share." After Mr. Roy Hattersley, the Prices Secretary, announced that the offer was not to be subjected to a monopolies investigation.

Imps launched its £20m-a-share bid two months ago, following a £25m-a-share bid—worth £52m—from Cargill, the U.S. agricultural merchants which generates annual sales of around 550m.

Cargill which withdrew its offer after the higher bid from Imps, had been hoping for a now control more than 30 per cent of the UK broiler chicken

market and substantial shares of the turkey and egg markets.

Eastwood, with trade union support, argued that reference to the Monopolies Commission would leave the group no choice but to implement its contingency plans for lay-offs or redundancies.

The company emphasised the employment guarantees contained in the Imps offer.

The news that the offer had succeeded boosted Eastwood shares which climbed 15p to 158p yesterday, while Imps shares rose 1p to 85p.

Why Imperial's bid has been cleared Page 15

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For latest Share Index phone 01-245 8026

Plessey to axe 1,250 jobs and shut plant

BY ANDREW TAYLOR

PLESSEY IS to make 1,250 workers redundant and close one of the two Swindon factories of its loss-making Garrard Engineering subsidiary, which manufactures record changers and turntables.

The group blamed a slump in world markets for consumer audio electronic equipment and low-price Japanese competition for the further cut at Garrard, which has made pre-tax losses totalling 25.6m since 1973.

Shop stewards at the Swindon-based subsidiary yesterday

met management yesterday

and are due for a further meeting on Monday, said they were "dumbfounded" and "despondent" about the decision.

The management, however, was prepared to examine any proposals to save some of the 1,250 jobs.

Since 1973 the workforce at Swindon has been axed from almost 4,000 to 1,830. After the latest cuts there will be only 580 people working at the surviving factory in Newcastle Street.

Troops were not deployed in force to prevent this. Instead, they rode around in lorries and Jeeps, dispersing mobs with gunfire.

The diplomats said that the lack of a major show of strength left the way open for further demonstrations and violence, which could seriously weaken the Shah's regime. No one is writing off the Shah yet, but his ability to rely on his regular troops is increasingly being questioned.

It is believed that if the present tension continues, the military could either split into factions or turn against him.

The surprise martial law announcement follows the week's mass demonstrations against the Shah.

Although the protests were mostly peaceful, they were taking on an increasingly virulent anti-Shah character, which the Government said it could no longer tolerate.

A huge protest march on Thursday, in which an estimated 100,000 people took part, openly violated a Government ban imposed the day before on demonstrations.

Marchers chanted "Death to the Shah" as troops watched with bayonets fixed.

The martial law decision put this capital of more than 4m people under a military governor for the first time in about 25 years. Curfew is from 9 pm to 6 am.

The first test of the announcement, which includes a ban on

Shah's troops open fire on demonstrators

BY OUR OWN CORRESPONDENT

TEHRAN, Sept. 8.

IRANIAN army troops today opened fire on anti-government demonstrators in central Tehran, the state-run radio. Soldiers soon after the Government had moved in and fired tear gas at a

protest in the city centre. The crowd broke up into rock-throwing mobs, and the troops opened fire, causing heavy casualties.

Witnesses said that up to 100 people were killed and scores more were wounded when troops fired with machine guns and automatic rifles on demonstrators gathered at Jaleh Square near the National Assembly after failing to disperse them with tear gas.

Police later began to arrest moderate opposition figures, including lawyers and writers, under the wide-ranging martial law powers but no immediate action was apparently being taken against major political and religious opposition leaders.

Despite the tough Army response to unauthorised demonstrations early in the day, diplomats were surprised that the military did not crack down harder. Throughout the day, relatively small groups of rioters roamed south Tehran, breaking windows, setting fire to banks and government offices, putting up barricades and lighting bonfires of tyres.

Troops were not deployed in force to prevent this. Instead, they rode around in lorries

OVERSEAS NEWS

Lebanese Christians split by fighting

By Ihsan Hijazi

BEIRUT, Sept. 8. LOCKED IN a fierce confrontation with Syrian troops of the Arab Peacemaking Force, the Lebanese Christian alliance has begun to show serious strains. This is reflected in political divisions, economic and social troubles, and a worsening of the growing problems of displaced people. Heavy artillery exchanges recurred last night between the Syrians and the Christian militias in Beirut's southern suburbs. It was the second large-scale bombardment there in less than a week. The number of casualties and extent of damage were not immediately known.

[Reuter quotes a Western correspondent who spent the night in the area as saying the fighting began when the militias opened up on Syrian troops with automatic rifles and machine guns. He said the Syrians retaliated at first with light weapons and then used used heavy artillery.]

The Christian district of Ain el-Rummaneh, the centre of the tension, is almost empty, with civilians having abandoned their homes and left the shattered quarter to the militias.

Displaced persons from Ain el-Rummaneh form only a small part of the 300,000 Christians who had to re-locate in other parts of the country after heavy fighting in their own areas.

Mr. Pierre Gemayel, the leader of the Phalange party, the principal Christian paramilitary organisation, has warned that if the problem of refugees is not solved before the cold weather arrives, an all-out flare-up should be expected.

Businessmen and trade union leaders in the Christian districts have sounded the alarm about what they termed an economic depression if the situation is not remedied quickly.

Conflict was reported to have developed between "doves" and "hawks" in the Christian camp, with the doves urging a compromise with President Sarkis and the Syrians, and the hawks reportedly insisting on the continuation of confrontation and keeping the pot boiling until Israel is in a position to come to their help.

The trauma has affected the Phalange party seriously. There have been unconfirmed reports that two prominent members of the party leadership, Mr. Louis Abu Shara and Mr. George Saadeh, have resigned from the party because they disapprove of the military trend in the party's policy.

Nicaragua protest over priest's arrest

By Joseph Mann

MANAGUA, Sept. 8. A CROWD estimated in the thousands poured into the streets in the city of Masaya south of here this morning to protest at the arrest last night of a Roman Catholic priest. Tensions rose in the cities of Masaya and Esteli as the Nicaraguan national guard continued rounding up politicians, businessmen and youths and carried out a series of searches in homes, schools and even churches. Residents of the two provincial cities feared that serious violence could break out at any time, leading to a confrontation between police and anti-Government protesters.

The Government of President Anastasio Somoza said this morning that the director of the Salesian school Don Bosco in Masaya, Father Jose Maria Pacheco Vasquez, was arrested and a cache of arms was discovered in the parish house next to the school. Eyewitnesses told me that several jeeps full of national guardsmen had attacked the Don Bosco school on Wednesday night, shooting hundreds of rounds into the school building and church alongside. They also broke down two doors and entered the school grounds by climbing over a wall. The guard returned last night to conduct another search and to arrest the priest.

Four priests and two students were present at the Wednesday night raid, the fourth time that soldiers had entered the school. The raids were reportedly carried out to search for arms and young rebels. The local sources told me that the soldiers themselves threw home-made bombs into the street as they entered the school to give the impression that they were being attacked from within. Priests at the Don Bosco school were reluctant to give their names to the Press, saying that they had been threatened by anonymous callers.

The school's blocklong facade was pockmarked with bullet holes and the front door had been smashed in. There were more bullet holes and broken glass inside the building. The church alongside also bore dozens of holes made by high-powered rifle shots. The school's 800 students were not present during the Wednesday night attack and the school was later closed by the Salesian priests because of the frequent raids.

Citibank move for publicity curb

By DAVID LASCELLES

CITIBANK HAS filed a series of motions with the New York Supreme Court seeking curtailment of publicity of evidence relating to a wrongful dismissal suit brought by a former employee, Mr. David Edwards, against the bank. The employee, Mr. David Edwards, has alleged in a series of documents and exhibits lodged with the court that the Citibank dismissed him after he tried to secure an investigation into some of the bank's foreign exchange trading practices.

The bank's third demand is that all pre-trial hearings and the trial itself be held in camera, and that all documents relating to the case be sealed. The bank bases this demand on the grounds

that the case constitutes a violation of privacy in that it involves disclosure of trade secrets.

Citibank has also asked the court to order Mr. Edwards not to discuss the case in public or with the media. The motion includes a copy of an agreement signed by Mr. Edwards when he commenced the investigation on Citibank's behalf.

It is common practice for corporations to get their lawyers to commission sensitive work so as to benefit from the sanctity of the lawyer-client relationship.

The bank's main demand is that Mr. Edwards' lawyers take a deposition against Mr. Walter Hanson, senior partner of Peat, Marwick, Mitchell, the accounting firm which the bank has asked to conduct an investigation

into Mr. Edwards' allegations. The bank's demand is made on the grounds that such a deposition would violate the lawyer-client relationship between Peat, Marwick, Mitchell, and Shearman and Sterling, the Wall Street law firm who commissioned the investigation on Citibank's behalf.

Citibank has agreed not to discuss Citibank's business practices with the media.

Mr. Edwards' main allegations, which were made in the court papers, were related to the way that money was transferred from Citibank's European branch to the Nassau branch in order to secure tax advantages.

Citibank has denied Mr. Edwards' allegations in court papers of its own, and said it conducted an internal investigation before calling in Peat, Marwick, Mitchell to make an outside report. The results of this should be ready later in the autumn, but Citibank has not said whether they will be published.

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HOME NEWS

Railman appointed chairman of National Freight

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

MR. ROBERT LAWRENCE has been appointed chairman of the National Freight Corporation to succeed Sir Daniel Pettie, who retires at the end of this year. The appointment of Mr. Lawrence, who is a career railwayman, to the chairmanship of the state-owned road transport conglomerate is an attempt to re-strengthen links between the public rail and road operators.

Ties were weakened last month with the transfer of Freightliner, the container company owned jointly by the corporation and British Rail, to full railways ownership.

Mr. Lawrence, 62, will continue as vice-chairman of British Rail, but will relinquish most of the posts he holds in various railway subsidiaries.

His name emerged as the favoured candidate after a long period of consideration by Mr. William Rodgers, the Transport Secretary. A number of political and trade union candidates were put forward.

Other candidates were the corporations' two most senior executives, Mr. Peter Thompson, chief executive, and Mr. Victor Paige, vice-chairman. Mr. Lawrence's appointment is intended to involve only a two-days-a-week commitment on the understanding that greater responsibility passes to Mr. Paige and Mr. Thompson.

Mr. Lawrence has considerable experience of road transport, having been general manager of British Rail's former sundries division, which in 1968 became part of National Freight under the title Nations Carriers. He

Mr. R. LAWRENCE
Strengthening links

has also been on the freight corporation board for the last 10 years.

Mr. Rodgers also announced yesterday that Sir Humphrey Browne, 67, chairman of the British Transport Docks Board, has agreed to continue in the post for another year from next April.

Other appointments to the freight corporation board announced yesterday are Mr. J. S. Fleming, 57, in Economics at Nuffield College, and Mr. P. H. Spriddell, a director of Marks and Spencer.

Thatcher attacks election bluff

By Ivor Owen, Parliamentary Staff

BY REFUSING to call an autumn General Election, the Prime Minister had ensured that Britain's problems would become worse, and that it would take longer to put them right, Mrs. Margaret Thatcher, the Conservative leader, said last night.

Replying on radio and television to Mr. Callaghan's "No election" broadcast 24 hours earlier, she said: "But I believe they can be put right once we have a Government that has confidence."

"The confidence of the people and confidence in people. A Government with authority at home and with authority abroad."

After a hesitant, almost breathless, start in which she underlined the fact that a General Election had been expected as much by the Labour Party as by its political opponents, Mrs. Thatcher condemned the Prime Minister's elaborate exercise in bluff and counter-bluff.

Any Government could appear to work up to an election, and then suddenly puncture the balloon," she said. "But no Government worth the name with the national interest genuinely at heart plays that sort of game with the electorate."

"A simple announcement would have ended the uncertainty months ago. That's what Sir Alec Douglas-Home did in 1964. Mr. Callaghan chose not to do so, but then Mr. Callaghan is not Sir Alec Douglas-Home."

Contrasted

Mrs. Thatcher also contrasted Mr. Callaghan's refusal to call a general election with the decision taken by Mr. Attlee to go to the country in October, 1951, even when his Labour Government had still a majority in the Commons and four years to run.

"For Mr. Attlee, the country came first . . ."

She doubted whether either Sir Alec or Mr. Attlee would have accepted Mr. Callaghan's any time since the war. Since 1974, food prices have more than doubled. Tax has more than doubled. The Government has lost its majority through a series of by-



Ultra-conservative approach to fashion: Mrs. Margaret Thatcher, the Tory leader nicknamed "The Iron Lady" by the Russians, tries on some "medieval" armour made by engineering apprentices. She was visiting the Midland Group Training Centre at Coventry yesterday.

election reverses. With those almost the worst record of any reverses, it had lost its claim to represent the nation's confidence.

"So the Government can only survive by doing a deal from bottom of the league on any day with parties whose measure you care to take. That's principles are wholly different no place for Britain."

Mrs. Thatcher questioned how "That's no way to run a 'broken-backed Government' country, and it's no way to could defend Britain's interests in a world full of danger. What

the Prime Minister's denial that the free world and to help end the Government had deliberately set bloodshed in Rhodesia? out to stage a pre-election boom. The nation had a right to

Sheom? What boom? There choose whether to drift aimlessly have been more people out of or whether to move in a new work over the last year than at and positive direction.

"This time last year Mr. Callaghan said: 'Back us or sack us.' Well, one day, and it cannot be put off forever, you will have

"This Labour Government has the chance to give your answer."

Plans for motorway extension cancelled

FINANCIAL TIMES REPORTER

THE GOVERNMENT has cancelled its plans for the extension of the M25 motorway from Hooley in Surrey to Mitcham in the London borough of Merton.

The decision was announced yesterday by Mr. William Rodgers, Transport Secretary, and follows the recommendations of a report on a study by the GLC and Surrey County Council.

The study was commissioned to examine problems associated with the end of the motorway at Hooley where the southern any objections to the new section from Pease Pottage, scheme.

Brent rejects Tesco plan for supermarket

BY COLLEEN TOOHEY

PLANS TO build a 70,000 sq ft supermarket, Tesco could still build store if the consultants decide North London, have been the land can be used for commercial premises.

Bank man works for council

MIDLAND BANK has seconded Mr. Trevor Thomas, one of its managers, to the London Industrial Centre, the Greater London Council's service to business and industry, for six months.

Mr. Thomas, aged 32, is assistant manager of the bank's Eastcheap branch.

Norfolk to pay flood losses

NORTH NORFOLK fishermen whose equipment and boats were damaged in last year's floods are to receive £4,800 compensation from Norfolk County Council, which has agreed to help them after they were refused Government aid.

The Government said there was no money available for the fishermen from an EEC location because of damage suffered by farmers in East Anglia and the West Country.

The decision to support

Pay policy 'delays £60m canal repairs'

By Rhys David and Lynton McLain

THE GOVERNMENT's pay policy was delaying a £60m programme of urgent canal repairs, the British Waterways Board said yesterday after Government approval of the first extension of the canal network for more than 50 years.

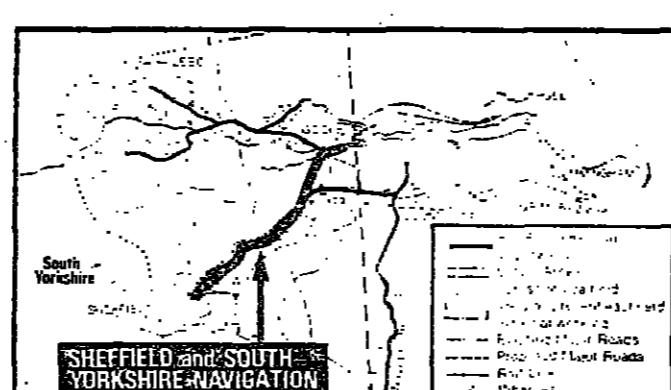
The first £5m grant was promised by Mr. Peter Shore, the Environment Secretary, last November. The Government has released the money, while the Waterways Board persists with a upgrading scheme for qualified engineering staff which would raise the total salary bill above pay policy

The money would have been used to boost the work load of board engineers by as much as 50 per cent. The board wanted to promote staff and raise salaries in line with the greater responsibilities.

Up to a quarter of its 3,300 employees would be affected. Jobs would be given to 200 qualified engineers and 200 direct labour staff, a move to which the Department has not objected.

The scheme approved yesterday by Mr. Shore is for £10m modernisation of the Sheffield and South Yorkshire Navigation between Doncaster and Rotherham.

The decision to support



modernisation of this canal follows a vigorous local campaign for the scheme, which it is hoped will create jobs in the Don and Dearne valleys and improve the canalside environment.

The Department of Environment has been to foster use of canals, largely for leisure purposes, while the Waterways Board and South Yorkshire Council have striven to persuade the Government that bulk cargoes from the area, including coal, steel and road stone, would be the basis of a viable traffic.

The main points in the scheme, backed this year by a Commons Select Committee in a report critical of Environment Department policy, are enlargement of ten locks and removal of obstructions, allowing 700-ton barges to reach Mexborough, near Doncaster, and 400-ton ones to Rotherham.

It is conceded by the Government only when the pressure of time in the Commons forced Ministers to let certain amendments through in order to get the Bills through on time.

Ship repair service

A SHIP REPAIR and oilfield servicing complex, representing a £2m investment, was officially opened in Aberdeen yesterday by Mr. Bruce Millan, Secretary for Scotland.

The complex was built for the John Wood Group. Its principal element is a slipway with a capacity of 1,800 tonnes, designed for the survey and repair of oilfield support and supply vessels.

There are also two repair

March 1 could be poll day on home rule

By Anthony Moreton, Regional Affairs Editor

ALL INDICATIONS last night pointed to an early spring date for the devolution referendum in Scotland and Wales.

Such a long run-up would clearly appeal to Mr. James Callaghan, the Prime Minister. But, after a day in which both parties agonised on the position they should take in the coming session, it was still not clear what line either the ten Scottish National Party or three Plaid Cymru members would take when Parliament reassembled on October 24.

Their problem is compounded by the fact that little adminis-

LABOUR NEWS

Murray defends inter-union disputes policy

By ALAN PIKE AND PAULINE CLARK

THE TUC would fight in the High Court to uphold its internal procedures for resolving inter-union disputes, Mr. Len Murray, the general secretary, promised yesterday.

The Engineers' and Managers' Association, is challenging a TUC disputes committee decision that it cannot recruit senior staff at GEC Rector Equipment's plant at Whetstone, near Leicester. The case is likely to be heard this year.

Mr. Peter Ward, of TASS, the white-collar section of the Amalgamated Union of Engineering Workers, condemned the buying of foreign ships by British Rail, foreign lorries by British Road Services, the buying of IBM computers and of Boeing aircraft when 11,000 people were unemployed.

A motion calling for nationalisation of the Fire Service was remitted to the General Council. Mr. Terry Pury, general secretary of the Five Brigades' Union, outlined the difficulties with local authority employers over the union's claim for a 42-hour week, where "taskmasters are not the pay masters."

Mr. David Basnett's year of office as the TUC chairman ended yesterday. He is succeeded by Mr. Tom Jackson, general secretary of the Union of Post Office Workers.

Censoring of television programmes has increased rapidly in the past four years. Mr. Alan Sapper, general secretary of the Association of Cinematograph, Television, and Allied Technicians, told delegates: "It is the TUC custom and practice.

Mr. Judith Gray, of the Medical Practitioners' Section of the Association of Scientific, Technical and Managerial Staffs, said that equal pay legislation

had been agreed with local authority employers. He called on the TUC to monitor possible censorship in TV programmes and to consider action to protect people whose programmes were altered or suppressed.

'Survival' Hoover closures

By Ray Perman, Scottish Correspondent

HOOVER laid unions yesterday that it wants to close its small factories at Hamilton and Carlisle over the next six months and cut production at Cambuslang, its main Scottish manufacturing centre.

The company said that the continuing recession in the UK and export markets made it necessary to reduce output and increase productivity.

It announced a 5-point programme to achieve these aims, but emphasised that they would be reviewed at the end of October, when forecasts of demand for next year would be available.

In addition to closing the Carlisle and Hamilton factories which employ a total of 270 people—and transferring production to Cambuslang, Hoover wants to eliminate overtime and reduce output.

Unions in the plant are considering their response.

Cowley stewards to be charged

DISCIPLINARY charges against Mr. Alan Thorneit, the Cowley shop steward known as the Mole, and other activists at the Austin Morris car assembly plant, are to go ahead.

The Oxford district committee of the Transport and General Workers' Union, which investigated complaints against them and recommended punishments, has rejected a plea to drop the charges.

Mr. Thorneit—the man Leyland will not accept as a deputy senior shop steward at Cowley, an office to which he was elected by ballot—is the only one of the so-called Cowley Nine to face expulsion.

Some have been recommended for removal from office for varying periods, and others for censure.

Most of the nine are prominent TGWU stewards and many of them are delegates to the district committee. The unruly behaviour of some delegates at a meeting last October led to a decision by the committee to start disciplinary proceedings.

There has been a sustained campaign within the union to drop the charges. Now that the Oxford district committee has rejected a local move to stop the proceedings, the regional committee will continue with its investigation of the members' conduct.

As well as covering unruly behaviour at a committee meeting, allegations include assaults on union officials, misuse of confidential information and pursuing policies contrary to the union's official line.

Mr. Bobby Fryer, the senior shop steward, and several of his deputies are among the Cowley Nine.

Plans to step up production at Cowley of the Leyland car, still the best-selling Leyland car, are being held up by a spate of supply problems.

One cause is the disruption of Leyland's supply lines caused by the recent strike at the plant at Linlithgow.

Another is that the neighbouring Pressed Steel Fisher plant at Cowley cannot supply enough body shells to meet the new programme because of engineering changes. These have been caused by the earlier decision to end one of the two night shifts on the Marina line in the two factories.

Production on the other shifts is being held up by a spate of supply problems.

One cause is the disruption of Leyland's supply lines caused by the recent strike at the plant at Linlithgow.

The strike decision came after the end of four weeks of official negotiations. The men have argued that the 5 per cent offered represents a real wage increase of only 3 per cent.

ICI shares withheld**Engineers plan strike**

LONG-SERVICE bonuses, worth about £200 per man, are being withheld from thousands of ICI workers because of the Government's pay policy.

On April 6 last year, the company announced that, from that date, 50 ICI shares would be given to each employee completing 25 years' service—but because of the Government's incomes policy at that time, June, 1978, would be the earliest the shares could be handed out.

Shares are now selling for about 24 each. The company now says that it is impossible to predict when the scheme can be implemented, because it depends on future Government pay policy.

Companies pay £3m for bridge collapse

FOUR COMPANIES involved in building the Cleddau box-girder bridge, Milford Haven, which collapsed during construction, have agreed to pay £3m in damages, it was announced yesterday.

The settlement came four weeks before a High Court action by Dyfed County Council against Freeman Fox and Partners and Sir Alexander Gibb and Partners, joint consulting engineers which designed and supervised the building of the £12m bridge; Boris (Civil Engineering); and Clarke Chapman.

The money was accepted in an out-of-court settlement, the council said.

Two widows of men working on the bridge when it collapsed eight years ago were awarded a total of £4,500 damages in 1972.

Investigators said that the collapse was caused by a section over a concrete pier not being strong enough.

Jobs protest

THIRTY school leavers have joined the Union of Construction, Allied Trades and Technicians after protesting about conditions at their job-creation project in Liverpool.

NEWS ANALYSIS**CONSUMER ELECTRONICS**
BY ANDREW TAYLOR

and equipment to be incorporated in other manufacturers' sets, it says that it has met no such obstacles in the U.S., in spite of currency losses as a result of the improvement of the pound against the dollar.

Last year BSR's pre-tax profits slipped by £2.3m to £20.3m although the group blamed the shortfall on currency losses. There has also been some long-term concern among analysts about whether the lower priced market will remain secure as the market where Japanese competition is most intense.

Garrard says that it will concentrate on the "Rolls-Royce end of the market," an area which, it says, has always produced profits in spite of difficulties at the high-end, low-price end of the market.

Its scheme is to close its Blunsdon factory, near Swindon, and concentrate production at the Newcastle Street plant with only 550 employees.

They are sceptical about a simple complaint of unfair Japanese competition and point out that Garrard will concentrate on the higher priced end of the market where Japanese competition

PROPERTY

Within the city walls . . .

BY JUNE FIELD

IN SPITE of rival claims from spear's sonnets are dedicated Leisure Services, Southampton City Council, Southampton. A salutary residence, local legend During the war some 3,500 insists that it is Southampton homes in Southampton were where in 1016 the King commanded the waves to recede, almost 41,000 more in urgent in any event Southampton can drop a variety of distinguished inhabitants who had been evacuated. Henry II met his great friend, Archbishop Thomas Becket there in 1163. Henry VIII is believed to have had frequent assignations with Anne Boleyn at Tudor House, and there is strong evidence that the Mr. W. H. to whom Shake-

Desirable. Number 13 Westgate Street is for sale, with gas central heating, three bedrooms, two bathrooms, two spiral staircases and a sitting room which overlooks the handsomely restored Tudor Merchants House. A secluded patio with wrought-iron gate leads to the garage, and the price of £27,500 includes carpets and Venetian blinds. Further details from Geoffrey Cox, partner, Fox and Sons, 30/34 London Road, Southampton, who will

on 3 floors of town houses

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FINANCE AND THE FAMILY

Setting aside a transfer

BY OUR LEGAL STAFF

My husband has told me that he proposes to live apart from me. The house in which we live was left to me by my father, though my husband has improved it somewhat and paid all the outgoings. What would be my position if he did leave me and later obtained a divorce? Could he have any claim on the house? If so, is there any way in the meantime whereby I can transfer the house to my children to protect their inheritance?

and so not be liable for the repair cost. It is however unlikely that there would be any order for possession in your basis for such a claim in the favour if you wish to reside fact that the car was in the care there. It would be wise to write to the tenant advising her garage expressly exclude such that you will wish to live there liability in the terms of their in due course. The Rent Act does not prevent transmission of a tenancy to a grandchild: it is a question of fact in each case if the person is a member of the tenant's family; but grandchildren have been held to fall within the term.

Retirement to Hong Kong

I am proposing to retire to Hong Kong, where as soon as I reach age 65, I shall be entitled to the State pension and to one from my firm. Could you say how much money I can take out, what my tax position will be and whether I could draw my pensions there?

You can take up to £40,000 out of the country. You would be liable to UK tax on any income drawn from the UK except in so far as it were taken in Hong Kong. You could draw your pensions in Hong Kong.

A noisy neighbour

Next door to my mother's terraced house is an empty house owned by a man who uses it at weekends as a workshop. He then hangs and drilling with high-powered electric drills, sometimes until very late at night. Have we any redress?

There are a number of remedies open to you under the law of nuisance and statutory control of noise, for example. However, your best course is probably to approach the Environmental Officer at your local authority and possibly the Planning Department there as well.

Tax relief and CCT

As executor of my late father's will I borrowed some money in June 1977 from my bank, to pay the estimated capital transfer tax on his estate in order to obtain probate. On my 1977-78 tax return I claimed relief of income tax on the interest I had to pay the bank

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered, by post, as soon as possible.

for the loan but the tax authorities have made no allowances for this. Can tax relief not be claimed in these circumstances?

What you have in mind is paragraph 17 of schedule 1 to the Finance Act 1974, as amended (for CCT), by paragraph 19(2) of schedule 12 to the Finance Act 1975.

To see what the rules are, you should ask your inspector for a copy of the free booklet IR11 (with an updating supplement), and look at section 110 on page 19.

An asset under land

In March 1976 I was bequeathed a house by the will of an aunt in which I was also appointed the sole executrix. A grant of Probate was obtained by personal application to a District Probate Registry and the estate realised and distributed among the persons entitled to share in it, with the exception of the formal transfer of the house into my name. As I am now proposing to sell the property, could you tell me what legal process, if any, is required to give me title to sell?

It is preferable for you to execute an asset under hand in favour of yourself, as the distribution which has already been made of the rest of the estate may preclude you from selling as personal representative. You can obtain a precedent of an ordinary asset from any standard precedent book e.g. Kelly's Draftsman.

AN ARTICLE costing £3.10 and uncertainty about both diamonds reduced to £1.85 in a super-uranium market would be a special offer. *Couzine Rottnest* of Australia is trying to offer £1.85 for an 18% of the Melbourne-based unit. But the article worth £3.10 would probably prompt the report that the discount is excessive.

If the currency denominations are changed and the mind stretched to think in billions, there is the Standard Oil of California-Amex takeover situation in a nutshell.

Amax this week rejected offers from Socal. The oil company's offer values Amex at £1.85bn (£954.8m) while Amex calculates its assets as worth more than £3.1bn. A higher and more definite offer might be forthcoming, in which case Wall Street might see another titanic takeover struggle. And London will not be a mere bystander.

Selection Trust has 8.3 per cent of Amex and its shares rose on Thursday with a rise of 3p to 45p. Yesterday they closed at 50p. Socal's interest in Amex is no surprise. Amex had already surrendered to what Mr. Ronald Fraser of Hudson Bay Mining and Smelting once called "the lubricating if not lubricious embrace" of the oil company. Socal's stake, bought in 1973, is 20 per cent.

Cash rich and looking for diversification into related fields, the major oil groups have increasingly turned their attention to mineral groups. By any standards Amex is a worthwhile asset with an income based on molybdenum, the so-called space metal, and interests spreading through coal, oil and gas to base metals and forestry.

But the oil groups are also interested in joint ventures. In Australia, Western Mining Corporation has already worked out a deal with Exxon for the Yeelirrie uranium deposit. It is now deafeningly whispered that another deal with a different group will soon be announced for the Roxby Downs copper-uranium prospect.

The whispers have helped to keep the WMC share price strong in a very firm Australian mining market. Yesterday it was at a year's high of 161p for a gain on the week of 18p.

In the second half of the week it looked as if the market was pausing for breath. There had been some profit-taking, although the general tone suggested that the bull phase still had some way to run. One of the reasons for the profit-taking was the tinge of

ground. Thus Mr. Yunupingu has wanted the Government to withdraw its permission for Pancontinental to extend the Arnhem Highway.

The Government has been prepared to pay this price to see Ranger construction started in the current dry season, only a few weeks of which remain. Yesterday it agreed with Mr. Yunupingu that there should be no road construction before a final decision is taken on the Ranger deposit.

The Northern Land Council's attitude seemed to be changing daily. First it would sign. Then it would not. Yesterday Mr. Galarrwuy Yunupingu, the Council chairman, was saying he would recommend signature, following a little persuasion from Mr. Fraser. So the Peko-Wallend share price steadied to 239p. The two groups are the Ranger joint venturers.

But the final word has probably not been spoken. The Northern Land Council meets next week. The position has

become complicated because Mr. Yunupingu has linked the Ranger agreement to a demand that the Government should hold back on the development of the Jabiluka deposit.

These uranium and diamond developments have diverted the market's attention from South African gold shares. Little encouragement was drawn from the latest International Monetary Fund bullion auction. The two deposits are near each other, but while Ranger is where the selling price was simply in an Aboriginal land reserve, Jabiluka's development by Pancontinental Mining could the number of bids dropped impinge on sacred Aboriginal from previous auctions.

MINING

PAUL CHEESERIGHT

tion for caution, was generally interpreted bullish. Testing of samples had resulted in the recovery of 173 carats of diamonds, the largest of which was 3.3 carats, but the quality of the stones, whether they are gem or industrial, was not known.

The diamonds had, in any case, come from near the surface. So far CRA has confirmed the presence of 26 kimberlite pipes—the geological formation which could hold diamonds—covering a surface area of 589 hectares.

CRA shares started to sag on Thursday, falling 12 to 324p, and then slipped a further 6p to 318p yesterday. With them they took Northern Mining, a junior Ashton partner and one of the actively traded small

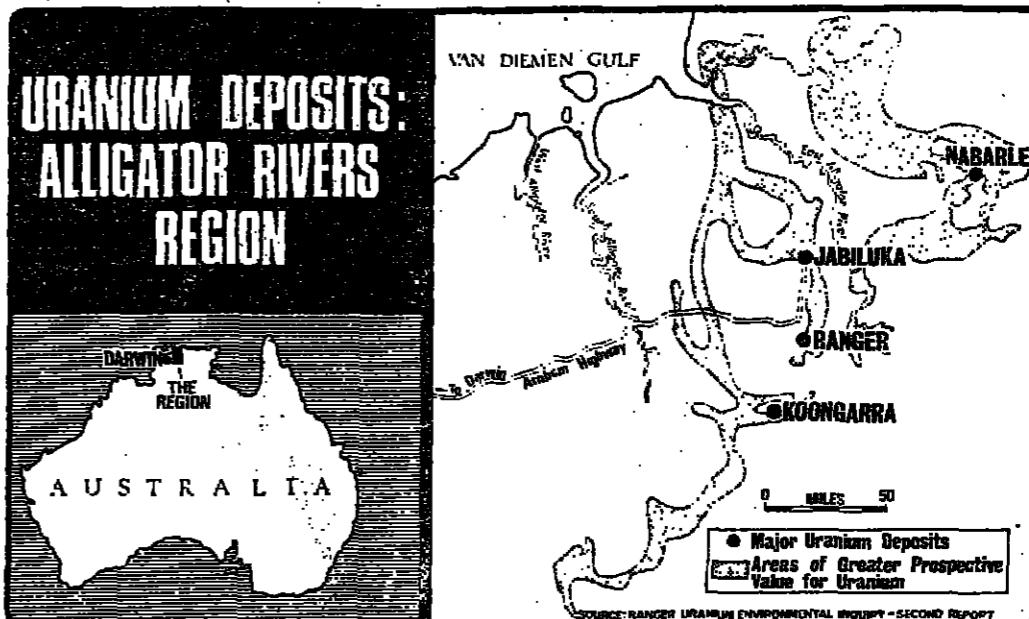
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URANIUM DEPOSITS: ALLIGATOR RIVERS REGION



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DATE _____

SIGNATURE(S) _____

FT10



ABBEY NATIONAL BONDSHARES

Negligence of garage

My son has an old car, which failed its MOT certificate and was left at the garage for the necessary work to be done, during which time severe frosts cracked the cylinder block. The garage is asking for payment for repairs to the cylinder block, but we contest this on the grounds that they did not put in anti-freeze when installing the new engine and that the damage was done while the car was in their care. What please is your view?

We think that your son may well be able to establish a claim in negligence against the garage for its failure to use antifreeze

Working from home

Sometime, it is suggested, developments in communications will take place in the coming years which could result in an increasing number of people being able to work from home—instead of commuting each day to an office. While traditionalists may have their doubts, and wonder whether everybody would have sufficient self-discipline to be able to operate from home, there are already plenty of people working on either a full-time or part-time basis from home. Apart from the increasing numbers of genuine self-employed, there are plenty of salesmen, taxed on both a Schedule E and Schedule D basis, who work from home. Of those with full-time jobs, some also either act as independent consultants, or have part-time

in many cases, there is unlikely to be any increase in the rate of premium. In fact, where somebody is working full-time at home, it can be argued that the risk is very much better than if the house was regularly left unoccupied for a relatively long period during the day. After all, many of the thefts occur during the latter part of the afternoon—from houses where the family is at work, shopping, collecting the children from school, etc.

Quite apart from the fact that one or more rooms in a house may be used as an office or workshop in connection with a business, the contents may be rather different from those found in a house used solely for residential purposes.

Dependent on the degree of sophistication, there may be a

INSURANCE

PHILIP KNOWLES

CITY OF WESTMINSTER ASSURANCE

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Curious and agreeable

TS A very curious fact that investors who seek a rising dividend controls, however income, in principle, do seem to have had remarkably little effect—that they seem, if anything, to have had an effect quite the contrary to that desired. This reflection is prompted by a table produced by the investment trust analyst of stockbrokers, Wood, Mackenzie, which shows that dividends on the Financial Times-Actuaries All-Share index rose by 8.5 per cent per annum over the past 10 years, over the past five years they have risen by 11.5 per cent—and over the past 12 months, by 2.7 per cent.

The same table indicates, even more interestingly, that while the dividends on the constituents of the FT-A Investment Trust Index rose by 8.1 per cent per annum over the whole of the past 10 years, over five years they have risen by 3.6 per cent—and over the past 2 months by a dramatic 44 per cent. That is a measure of how much the managers of investment trusts have reverted to the view that a large part of their function is to provide for

come up with a strong recommendation that trust managers should make hay while the sun shines—lest it should be withdrawn. The situation is Wood, Mackenzie now reckons, that investment or unit trusts that the rate will drop to around which hold shares (or units) in 15 per cent in the closing other trusts, must pay capital months of this year, and will gains tax at 10 per cent on their sale—and will, like individual investors, receive a tax credit of 17 per cent to set against liability. Unlike other investors, they can use the unused part of that tax credit—7 per cent—to offset against capital liabilities elsewhere. As Laing and Crichton says, it's a cheap way for trusts to achieve what could be substantial reductions in their liability to capital.

Finally, a word of thanks is due to Wood, Mackenzie for taking some of the hard work out of slogging through the asset figures regularly assembled by the Association of Investment Trust Companies. They have established the top 20 performers—and the bottom 20—over periods of both five years and 12 months, in terms of both asset backing and price. And they've worked out the total return on investment in these companies too.

INVESTMENT

ADRIENNE GLEESON

tive increase in income for shareholders—and an increase in real income, too (at any rate before tax), assuming that the rate of inflation does not rise again to this sort of level.

This increase in income is not the only curious (and agreeable) facet to the investment trust sector at the moment. There is also the curious matter of the capital gains tax anomaly.

Wood, Mackenzie is not the only broker to have spotted the implications of this: Laing and Crichton's investment trust analyst has seen it too, and

Certificates and tax

WORD for the higher-rate taxpayers among you: do for goodness sake—or at any rate for the sake of stockbrokers McAnalley Montgomery—have a word think about the tax advantages of National Savings certificates before you go putting your money into anything else. McAnalley Montgomery has pointed out, in response to last week's article on Sussex Mutual's Bonusbuilder, that while it's true that the return it offers is very attractive to the standard rate taxpayer—assuming that the building society minimum posit rate, which is the variable in the equation, doesn't go too far—to anyone paying at over 50 per cent National Savings Certificates are still a better buy. Very true: although Bonusbuilder offers a prospective 10.05 per cent tax paid, as (like all building society returns) is only tax paid to the sicker taxpayer. If your original rate is higher, then you'll have some tax to pay, and the return will be diminished, as to see stockbrokers watching returns on National Savings

close—and prepared to end up and say so when they think they're getting less than their due discounts.

If they do, you can obtain a 15 per cent discount by placing your order direct with the company (Lincoln House, Colney

Street, St. Albans, Herts), and confirming within two weeks that you own units or shares: present your certificates, or obtain written confirmation of your holding. Right from the start, Aronson decided that no minimum shareholding should be required to qualify for the discount; and this principle has been carried over with the extension of the scheme. Obviously there's scope for abuse here—after all, the shares cost less than £1, and the savings (on, say, a bedroom suite costing some £200) could be considerably more. Aronson says: there has been no evidence of

anyone getting a discount, though the scheme has produced a fair amount of business. However, the company reserves the right to change its tactics should the wide boys try to take advantage.

Those who collect shareholders' "perks" should note that the benefits which furniture manufacturers A. Aronson have extended to their individual shareholders since last November are henceforth to be made available to those who hold the equity through a unit or investment trust. So if you happen to be in search of bedroom, living room or dining room furniture—and particularly if you have your eye already on the "Arvin" range, above—it's worth checking the latest report from your unit or investment managers to see whether A. Aronson's shares figure in their portfolios.

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anyone getting a discount, though the scheme has produced a fair amount of business. However, the company reserves the right to change its tactics should the wide boys try to take advantage.

Of wills, ways and means

AKING A Will is hardly the length, and grow at different speeds. It usually seems

agony. It usually seems only morbid—but the main reason why we shirk the task of living takes up so much of our time and energies that there is little enough left for the dead.

This is a pity, because the standard advice nowadays must be that we should all make wills, and that we should examine them at least every year to see whether any alterations are necessary. The

one most common reason why a widow, may simply be storing may be advisable to do some up trouble for her. Having thinking can be understood acquired his assets on top of it clearly if we recognise her own, she may find that the predicament as being on the aggregate tax payable on her

of a dilemma, but that death is disproportionately the horns are of uneven higher. It is essential that we

TAXATION

DAVID WAINMAN

understand that it makes no difference for capital transfer tax purposes whether the husband's estate was left to his family arrangement. This widow absolutely, or whether some obscure procedure was left only a life interest, has been made considerably easier and more certain by the

If one follows this line of argument, one is led towards the concept of equalising estates. Husband leaves to widow sufficient so that her estate is equal to the balance of his own—and he leaves that balance to the children. However, a moment's thought will show that this is seldom a satisfactory answer. It may be all right for a 75-year-old husband, whose wife is five years older than him.

But for the younger husband, the more vital consideration is that of making sure that his widow would have enough to live on were he to fall immediately under the proverbial bus. If this untoward event should happen when he is 45, he may well be left looking forward to another 35 or 40 years of life. It is probably less than realistic to imagine that after educating the children and starting them in life, she will eventually die leaving behind her intact every penny given her in her late husband's will.

The untimely death of the breadwinner is something we try to insure against—but if inflation continues with little abatement, widows will almost certainly have need of more than half the total assets.

The other factor whose dynamic effects must be understood and constantly watched is the pension position. This is neither the time nor the place for more than the briefest glance at what might be the position. Death in service frequently provides a lump sum benefit for the widow of between two and four times salary. Less often does it provide an adequate pension; if the executors if more tax becomes payable as a result of the trustees quantifying a realistic pension by reference to 40 years' service, and salary level at 65, then it stands to reason that a widow's two-thirds pension, if it is based on her husband's much shorter service and lower salary level at death, may be more a gesture of goodwill than an adequate provision.

So the message must be that the administration of the estate wills should be made and kept had been completed before up to date. But what do the survivors do if they find that arrangement

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LEISURE



Dinant

Ardennes Autumn

AFTER this year's apology for a summer, let us hope that St. Luke takes pity on us with some autumn sunshine before winter finally sets in.

Autumn is an ideal time to visit the varied countryside of the Belgian Ardennes and I was surprised to learn that the Belgians think that the reason that relatively few British holidaymakers visit the area is that we have comparable scenery here at home. Yet there is no real comparison with this vast area of rolling, wooded hills, deciduous and pine forests, winding rivers, small towns and pleasant villages within the three provinces of Namur, Luxembourg and Liège, a kind of amalgam of the New Forest, the Downs and the wilder parts of Wales.

Incidentally the Belgian Province of Luxembourg covers a greater area than the Grand-Duchy. After crossing overnight on the Townsend Thoresen ferry from Felixstowe to Zeebrugge and, using the ring road around Brussels, it is only a three hours drive to Namur, with the Meuse Valley a delightful prelude to the Ardennes proper.

The sun was actually shining when I visited the gardens of Annevoie, a few miles south of Namur. The château has been in the de Montpelier family since

TRAVEL

PAUL MARTIN

the 15th century when the gardens were originally laid out with a canal, lake and countless fountains all fed by natural springs. The grounds are open daily until November 1st.

Profondville, a delightful village on the banks of the Meuse and quite near Annevoie, is Belgium's main water-skiing centre and the trout at the attractive riverside La Rhoterie restaurant were the freshest I have ever tasted.

Development throughout the whole area has been very strictly controlled with camping and caravan sites well screened from the road. One of the most imaginative schemes is the Domaine Valéry Cousin at Chevetogne where an entire estate was purchased by the provincial authorities. The camping and caravan areas are well sited and there are facilities for lake and river fishing, for barbecues, a sports complex and acres of grounds for walking.

I spent the first night at the comfortable Hotel Lafayette in Rochefort, a pleasant town and a good centre from which to explore the area.

Before moving on next day to the Province of Luxembourg, I had visited the quite remarkable Hunting Museum at St. Hubert.

ADDRESSES: Belgian National Tourist Office, Baywater Road, SW1 4RE; Townsend Thoresen Ltd., 127 Regent Street, London W1R 8LG.

IRISH CAR HOLIDAYS in castle and country houses. Garlic Times, 2a Chester Place, London W1. Tel: 01-580 2318. YOU CAN ALSO TAKE YOUR CAR ON our individual inclusive holidays to Le Touquet, France. Tel: 01-580 2318. LTD, 2a Chester Close, London SW1X 5AF.

FAIRS: AMSTERDAM, BRUSSELS AND BRUGGE. Individual inclusive holidays. Tel: 01-580 2318. LTD, 2a Chester Close, London SW1X 5AF. 01-235 8511.

SMALL WORLD

Small World chalet parties

— get it together

This winter, get it together. Make up a chalet party for a week in France or, indeed, this year, France, Germany, Austria, the Italian Dolomites and, of course, the Alpine chalets.

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ARTS/COLLECTING



Classic glamour

The shifts of taste are uncertain things, hard for the social seismologist to predict, often not studios and films they served, as much for their direction as for their strength. The cult of Art Deco began not as serious reappraisal, but, like those of Victoria and Art Nouveau before it, as a somewhat self-mocking and perverse, even kitch indulgence. We came to mock and stayed, first to enjoy, then to value. In recent years the Art, Architecture and

ART DECO

WILLIAM PACKER

Design, the Music, Fashions, and Films of the years between the Wars have all become staples of serious critical scholarship; and inevitably Photography is prominent among them.

But one particular genre has been for too long not ignored exactly, but not taken seriously. The images of the great Hollywood Stars of the time are cabinets and dressing tables familiar to us still, images often serve to remind us of that old power: and yet we too easily take anything away.

Early Music Festival

The Early Music Centre is no more than a couple of converted terraced houses in Princesdale Road, London W11, but it provides England's first specialised performances and study courses in early music. Evening classes, children's sessions, concert series, weekend conventions and (from this autumn) three full-scale professional courses on the viol, the lute and the voice—all have so far been accommodated by this flourishing self-help institution.

Last year the Centre promoted a popular and successful Festival of early music in the Wigmore Hall; though great fun, it encountered the criticism that its content was too lightweight. This year's Festival, which has been running all this week at St John's, Smith Square, has gone to the opposite extreme. It has sounds like the vocal equivalent of a ball of fire.

His recital revealed a host of little-known treasures: the have been carefully planned to reflect the individual's Orpheus lament which development within the hierarchy of the created world, thus reflecting the Centre's intention to study music against its philosophical background. Whether fashionable taste for solo song, the first concert represented the *Aspettate! adesso canto*. An infant, mewling and puking in Caldara motet from 1712 made a the nurse's arms, may be somewhat anachronistic end to doubted; the programmes have ranged from medieval poly-recital and its strong rhythmic phony, through renaissance framework to produce court and chamber music, to some of the forced tone Mr. John Passion, conducted by Andrew Parrott with an original instrument orchestra—a per throughout the recital the formance which, though unarticulation was brilliant, the seasonal, should be of unusual direct.

Thursday night's concert was a revival of Italian baroque music by the tenor Nigel Rogers and

NICHOLAS KENYON

Peter Schaufuss

The latter part of this week has brought an exceptional piece of dancing to enhance a somewhat workaday Festival Ballet programme.

On Thursday night at the Festival Hall Peter Schaufuss un-

vealed several different sorts of

lighting in that child's guide to what is wrong with ballet, the *Corsaire pas de deux*. It is a piece so foolish, so open to every sort of abuse, and so risible in the Tarzan-esque posturing that are required of its interpreters, that ideally it needs to be done by Morecambe and Wise.

Failing either of those gurus, I will settle for Peter Schaufuss, all the more so because he is absolutely cast against type. Nothing in his training or stage persona suits him for the Ethel M. Dellerly of the character (to which Nureyev, on the other hand, brings a glossy sexual allure which is exactly right). But Schaufuss, bending and swooping dutifully

CLEMENT CRISP

through the required poses of passion and the occasional obeisance to the beloved, dances the piece with such finesse, such joyous clarity of technique—pure Bournonville in aesthetic as in style—that the heart and eye and mind rejoice.

He pulls off marvels of pirouettes—flashing doubles à la *Corps de Ballet*—and *quatre seconde* with arms linked over his head; multitudinous turns with one leg in front which are so exactly with the music that they might be part of the score. In a rocketing circuit of the stage he manages a split at the height of a jump that seems to take him even higher; there are arrowy leaps that are buoyed by a strong and consistent source of energy. It is classical dancing at its most exhilarating.

Of course, Schaufuss is showing off, but with a technical mastery of his excellence, there is nothing else he can do when obliged to appear in top.

CLEMENT CRISP

CHESS

LEONARD BARDEEN

THE BRITISH championship at last month was won by J. S. Speelman with 8½ out of 11, followed by A. J. Mestel and H. J. Plaskett. S. P. E. Littlewood and S. Webb 7½. The tournament and the accompanying British Chess Federation congress were both successfully sponsored by Grieveon Grant, the first time a stockbroking firm has sponsored a national championship in any one sport.

The prize fund went down to eighth place, and Grieveon Grant's support had a directly beneficial effect on the quality and competitiveness of play: it meant that the leaders could go ambitiously for the championship without fearing that an unlucky loss would relegate them to also-rans. The good proportion of interesting games and wins at the top was reflected in high scoring—in one recent championship the best scores were only seven points.

The fighting, aggressive styles shown in the leading games and the good results of the younger players were interlinked. Only two of the first nine finishers are aged under 30, eight of the top 18 are under 25; 18-year-old Plaskett was joint second and 13-year-old Nigel Short shared tenth place.

This sweeping success for the young reinforces my view, ex-

pressed here before the tournament, that reform in the championship selection is long overdue. The BCF should follow the lead of the Aarons and Lloyds Bank Masters and award scholarship places in the championship to talented juniors from the national squad who rank highly for their age.

The new champion, Jonathan Speelman, is to be a talented but inconsistent attacking player. In the last year his game has matured, he qualified as an international master and brilliantly defeated the great Larsen at Lone Pine.

Speelman is a mathematician, and most of the other leading finishers work in some numerate field.

One of the best games of the championship featured a classic attack against a weakened king's defences. It is easier to understand and emulate such play than complex strategic wins, and, besides its instructional aspect, it provides a finish with the black king chased round the board till mate.

White: H. J. Plaskett. Black: P. H. Clarke. Opening: French Defence (Grieveon Grant British Championship 1978).

The opening moves were 1 P-K4, P-K3; 2 P-Q4, P-Q4; 3 N-Q2, P-N3; 4 N-Q2, N-Q3; 5 N-KB3, B-K2; 6 B-Q3, K-N3; 7 N-KN ch, BxN; 8 Q-K2, Q-K2.

Black is trying to improve on a system which is reputedly difficult for Black after the normal S... D... 0-0; 8 K-B4 followed by 0-0-0. Instead, Black kept the option of castling on the same square as White, 8 Q-Q2, 9 0-0, P-K3; 10 B-K3, 0-0; 11 P-B3, PxP (around here Black

meant that East had the Knave, and a double squeeze was certain. Declarer played his last trump, and the squeeze started to operate. West had to keep his spade, so he was forced to discard a club. The spade eight, no longer needed, was thrown from dummy, and now East was under pressure. Forced to keep his master diamond, he too had to let go a club, the declarer cashed Ace, King of clubs, and the nine was good for his thirteenth trick.

Now for a hand played by

Rixi Markus in the Rothman's Pairs Championship:

N. E.

♦ A 8 6 3. ♦ Q 7 2.

♦ J 10 ♦ 6 2. ♦ S 4 3.

♦ Q 7 5 ♦ J 10 4 3.

♦ J 10 5 2 ♦ 4 Q 6 3.

5. ♦ K 5 ♦ K A Q 9 7 5.

♦ S 6 ♦ K 9 4.

W. E.

♦ A 7 4 ♦ Q 7 3.

♦ 6 2 ♦ S 4 3.

♦ J 7 5 ♦ J 10 4 3.

♦ J 10 5 2 ♦ 4 Q 6 3.

5. ♦ K 5 ♦ K A Q 9 7 5.

♦ S 6 ♦ K 9 4.

W. E.

♦ A 10 6 ♦ 10 8.

♦ A 8 7 6 2 ♦ A 4.

♦ 7 2 ♦ Q 8 2.

♦ K 9 3 ♦ J 10 5.

♦ K Q J 8 ♦ 10 7 5 3.

5. ♦ K 5 ♦ A 9 7 6 4 3.

♦ 4 ♦ 4.

♦ 9 6 2.

The British are trying again

IN TROSE areas of endeavour at 81 holes each and the celebration in which we take on the bratons went on long into the Americans there are few at Atlantic.

which we are so spectacularly unsuccessful as golf. The Ryder roundings of acres of Cornish land, the Walker Cup, the Curtis farmland, another club professional— all of them are foregone signal team, with only four of course, in 63.

To anyone who knows the terrors of that course 63 is as near impossible as dammit. "It was a bit unfortunate," says Brian Wates, the Nottinghamshire professional, who has established a record by playing in five out of the six matches, county team, Dick Sykes, and more than anyone on either side. During the qualifying competition to find the side the best golf of his life, and still

put him in a competition where 359 years ago this week that the Pilgrim Fathers left for a new life in America.

They didn't take their clubs with them—it was another 274 years before golf began in America—but their successors have since established a supremacy which has been almost total. This week it is being challenged, and the Great Britain and Ireland side got off to a marvellous start in the first series of foursomes.

Peter Butler and David Hutch quickly went three up, after four holes, when the Americans three-putted the first, second and fourth holes. They retained

that lead to the turn and very shortly afterwards registered the first result of the match—the five and four win over Laurie Hammer and Ron Smith.

Behind them Brian Wates and Mike Ingham went to the turn in a two-under-par 34 and were six up. They began with a birdie three when Wates holed from 20 feet and then, at the fourth, the Americans, Bruce Summerhayes and Dave Barber, three-putted.

Plymouth is of course a strangely appropriate place to stage a match where the routine of an old enemy is required. It was here that Sir Francis Drake insisted on putting out before going on to deal with the Spaniards—how our tournament professionals could use him with a four iron second at the 511-yard ninth.

Great Britain and Ireland went three up at the sixth with a birdie four and four up at the seventh. Their success story continued when they won the eighth and ninth holes with Ingham hitting a huge tree shot at the eighth and getting home with a four iron second at the 511-yard ninth.

Grace and fervour

eluded Nicholas Wanstroth, a teacher who had let his school in Camberwell go to pot on account of his obsession with cricket, which he played professionally under the pseudonym of N. Felix. His manual *Felix on the Bat* is a cricket classic: there are several copies in Phillips' sale. The fine illustrations, lithographed in blue and yellow, were provided by the young G. F. Watts. This first era of professional cricket also produced the best known (because so mercilessly pirated) of cricket prints. Mason, Drummond and Baseby's *Cricket Match between Sussex and Kent*, first published in 1849, and the game's equivalent to Frith's *Derby Day*.

At the height of the Victorian age, cricket went international. The first English team toured

COLLECTING

JANET MARSH

America and produced another cricketing classic, Lilliewhite's *English Cricketer's Trip*; and in 1861 a pioneer team toured Australia and brought back £11,000 in profits.

The English County Championship dates from 1873; the first Test Match was played in 1877; and the last quarter of the century saw cricket definitely established as the Englishman's national sport.

Much of Phillips' *Cricketana* dates from this golden age; many items inevitably celebrate the most eminent of Victorian cricketers, Dr. W. G. Grace. A coalport "Century of Centuries" plate commemorates Grace and Miss Trigger, a young lady in a vast beribboned hat, holding the asymmetrical knife-shaped bat of the period. Colet's "Miss Wicket" and "Miss Trigger" shows a young lady in a vast beribboned hat, holding the asymmetrical knife-shaped bat of the period. The Doctor's *annus mirabilis* of 1885, when in May he scored 1,000 runs and hit his 100th century, Grace's portrait is surrounded by radial inscriptions detailing all the single, double and treble centuries of his career.

Among Phillips' more esoteric offerings is a little book published in 1897 in an edition of only 25, called *Curiosities of Cricket*, by an Old Cricketer.

It is itself a curiosity, recording such notable matches as those played between Deaf and Dumb, Between Handsome Men and Ugly Men, between a team

Heavy With Sin and another Light With Honesty, and between a man and a dog and a one-armed man and his son. Games have also been played in top hats on ice, on the Gommon Sands, and on horseback.

The game has often proved fatal. The "Old Cricketer" recalls that players have been killed from collision with one another, from falling upon the stumps, from falling from cliffs and from snakebite. Mortality among passing fauna—birds and rodents largely—has been even greater.

Games have been interrupted by the eruption on to the pitch of mice, stoats, hares and hounds and a runaway horse and cart; and at Darlington in 1895 play was stopped, not surprisingly, by the spectacle of 15 weasels crossing the wicket. Balls have been hit into the batsman's pantaloons, the umbrella's pocket and the batsman's bat lining.

The Old Cricketer also recalls some notable examples of fielding. At Tunbridge Wells in 1835 a fielder leapt on to a bystander's horse to follow a ball, and at Leyton in 1863 an armless Essex man called Walker, who was also reckoned a fair bat, caught out the batsman. Physical handicaps have on occasion proved more inconvenient. In a game at Walton Bridge Inn, established his All-England Team, Clarke had only in the '80s, the batsman's wooden leg fell off and was promptly used by the fielder to the time the more remarkable. Clarke's All-England team in

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GOLD AND THE WEAKNESS OF THE U.S. DOLLAR

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that he had the skill to make the grand slam on which he had set his sights:

N. ♦ A 8 6 3. ♦ Q 7 2.

♦ J 10 ♦ 6 2. ♦ S 4 3.

♦ Q 7 5 ♦ J 10 4 3.

♦ J 10 5 2 ♦ 4 Q 6 3.

5. ♦ K 5 ♦ K A Q 9 7 5.

♦ S 6 ♦ K 9 4.

W. ♦ A 7 4 ♦ Q 7 3.

♦ 6 2 ♦ S 4 3.

♦ J 7 5 ♦ J 10 4 3.

♦ J 10 5 2 ♦ 4 Q 6 3.

Unscrambling the radio waves

BY DAVID FISHLOCK, SCIENCE EDITOR

IF THE annual meeting of the estimates, Europe could have as many as 3,700 transmitters. The British Association for the Advancement of Science is any operating. The problem is rooted in the laws of physics and the way the electro-magnetic spectrum of frequencies has been forecast disaster if "window" in the electro-magnetic spectrum of frequencies is not that course of action. But there was one in which the speaker left some of his frame is drawn by the physical audience with a sense of size of the transmitting aerial. deejay, not for the subject—a which below 10 kilohertz is relatively new one—but for comes far too big to contemplate the terms in which he addressed plate. his warning.

On the other side the frame which heads the School of Electrical Engineering at the University of Bath, is unrepentantly a technologist who believes in for efficient transmission. His message is that "spectrum pollution"—the way in which we abuse our airwaves—is producing a crisis more acute than those of energy and material resources. His resolution is a technological one—more advanced systems for radio reception.

In November the BBC—as it keeps advising radio listeners and inviting them to help publicise—is changing the frequencies of most of its radio programmes. One reason is the substantial increase in the allocation of radio bandwidth for the European Broadcasting Union which has recently called for a substantial increase in the allocation of radio bandwidth for private car radio listeners: the change will allow them to remain tuned to the same frequency on long drives. But another is simply radio congestion—difficulties arising from the increasing use of radio by overcrowding. Users of mobile radio can be given no alternative possibility of using cable systems to protect their transmission from interference such as taxi, messenger and mobile radio. It is spreading to less obvious services such as those for aviation activities, national

ing development of a substantial offered by vets, frozen food security and defence. The market; one which can show hand. And for the past ten years radio salesmen— even undertakers. problem here is by no means only a domestic one. During the last year, for example, the Russians—followed by the U.S.—have begun to commission new transmitters, believed by experts to be extremely powerful new transmitters. Although the amount of crime has increased ten-fold. Then there are possibilities be over-the-horizon radars which has increased ten-fold. The reason why the police have been scarcely scratched yet in designed to detect enemy missiles. A Midland bus sites at the moment of launch.

Take the police, says Professor Gosling. Its workforce is little in Britain: a service which has grown steadily in spite of its extremely powerful new transmitters, believed by experts to be over-the-horizon radars which has increased ten-fold. Then there are possibilities be over-the-horizon radars which has increased ten-fold. The reason why the police have been scarcely scratched yet in designed to detect enemy missiles. A Midland bus sites at the moment of launch.

cated but at power levels much higher than international regulations stipulate or purely domestic needs require.

Such breaches of international convention tend to force neighbours also to "shout louder." But for the listener it simply means more spurious signals each side of the bandwidth allocated—more jumbling of transmissions. If everyone today could be persuaded to reduce the power of his transmission, reception would immediately improve.

Until the last year or so the British Government was pretty unenthusiastic about taking any action to avoid a "spectrum famine." An unpublished report in 1975 by a Home Office official, Mr. James Warden, examined the case for a major new use of radio, privately-owned mobile communications. It proposed that little encouragement should be given to the expansion of such transmission. To relieve existing congestion it favoured more sharing of wavebands, and more skilful use of frequency allocations by better trained operators. Given such restrictions, it concluded, any need for a technological fix could be postponed for at least a decade.

The radio manufacturers were understandably relieved. It had even been argued that more transmissions could be squeezed in by reducing the bandwidth allocated, and tolerating the poorer quality of transmission this must entail. But as Professor Gosling points out: "Just listen to the average taxi radio—if reception got much worse it would be no use at all."

The technologists propose a quite different solution: one they believe could open up enough additional capacity in the radio spectrum to service growth and developments for 20-30 years. One of the most

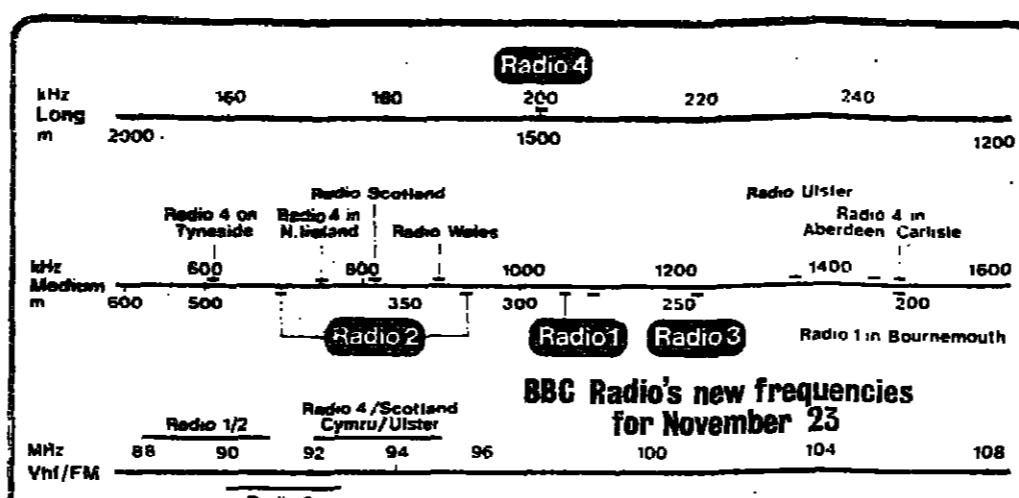


Police communications: just one of the many new strains being imposed on the radio spectrum

promising ways, they believe, of electronic component circuits, would be to adapt the technique known as single side-band broadcasting (SSB) to the which a tighter technical specification has to be written.

A consensus is now developing among radio experts worldwide, says Professor Gosling, that a technological solution to the problem of spectrum congestion is within reach. He takes heart from the fact that the regulatory side of the Home Office has been to acknowledge that there is a problem, and to take the technological solutions seriously; and also from a report of the Federal Communications Commission in the U.S. earlier this year, strongly supporting the extension of SSB into the VHF and UHF bands for land mobile radio.

Change will not come about overnight. It means a lot of detailed work yet by the radio system companies to develop the new techniques into broadcasting and receiving systems. For users it may mean scrapping investments to open the way for more conservation-conscious systems. But the outcome could be much wider use of an economically proven method and wide. Technical ingenuity, simultaneously improving together with the falling costs standards of radio reception.



Weekend Brief

Little but larger

A bank which expands its branch network by a tenth in a year is pretty rare among the British institutions these days. But when you start from a base as small, in terms of branch coverage, as Coutts the recent expansion programme looks quite dramatic.

The latest opening, in London's Kensington High Street, brought the group's total branch network to 11, if you count the several branches operating from its Strand offices as a single unit. This may not seem very adventurous. But for a bank which after a history lasting 286 years has kept itself consciously apart from the extension of financial services on a national scale adopted as policy by the other clearing banks, the events of the past two or three years represent a major development.

Coutts, with its frock-coated managers—the pockets in the tails of those coats, I am told, can be put to many useful purposes—has deliberately restricted itself to a particular sector of the market. It was taken over by the old National Provincial Bank in 1920, and is now owned by National Westminster after the 1968 merger.

Coutts, with its up-and-coming managers—the pockets in the tails of those coats, I am told, can be put to many useful purposes—has deliberately restricted itself to a particular sector of the market. It was taken over by the old National Provincial Bank in 1920, and is now owned by National Westminster after the 1968 merger.



Coutts and Co. chairman, David Money-Coutts: Expansive mood.

In any case, the bank will have more than 40 years' experience courtesy of one of Covent Garden's own sponsors, Commercial Union. Commercial Union is providing Scottish Opera with the £55,000 which it needs to mount a new revival of the famous drama of betrayal and revenge, and is thoroughly pleased with its investment.

It represents the insurance company's first formal venture into sponsorship of a company based outside London, though its cash has in the past helped to send the Royal Opera and the London Philharmonic Orchestra on tour both to the North of England and the States. Commercial Union concentrates on sponsoring music these days, although requests still come through at frequent intervals for sporting sponsorships of the kind in which the company used to specialise.

The tie up with Commercial Union is a first for Scottish Opera, too: the first time it has had aid from a company based outside Scotland. Scottish Opera was born and swept to its present eminence on the tide of Scottish nationalism. Putting money into Scotland's cultural development was a convenient way for companies to demonstrate that their hearts were in the right place, without coming down too firmly on either side of the political fence.

While the link now formed with Commercial Union undoubtedly reflects Scottish Opera's eminence, it probably reflects, as well, the way that that tide of nationalism has receded. Commercial Union, it's true, is fairly heavily represented in Scotland—there are two offices in Scottish Opera's home city, Glasgow. But it was at the bakery, wrapping and packing sliced bread, "it's all the same, you know," said Clare. "If you have got a bad memory," or "Oh, no, no, no, that won't do," said Clare. "It drives you mad after a bit."

But the sensation was Paul. High flying Paul, who smiled his apologies when he habitually turned up twenty minutes late for every lesson. He had scored two As and a B and was soon off to university. Meanwhile he was at the bakery, wrapping and packing sliced bread. "It's all the same, you know," said Clare. "If you have got a bad memory," or "Oh, no, no, no, that won't do," said Clare. "It drives you mad after a bit."

Fresh material which may prove useful has just arrived in Britain from the USSR. Forestry Commission experts are attempting to develop varieties of tree which can resist the ravages of the so-called "aggressive" strain of Dutch elm disease. They say that by the time their work is finished there will be no place for the elm in the countryside.

Most elms, before the disease swept away their foliage and the sawyers finished the job, grew in hedgerows. But the hedgerows themselves are still disappearing—although not quite so rapidly as they did when the arable farming industry set about stripping its fields for cultivation with giant machines.

Mr. David Burdekin, a Forestry Commission researcher said when the tree breeding work was over—and he was talking in terms of 20 to 30 years—planting of saplings "twining" with Volgograd and has been sent a box of reputedly disease-resistant elm seeds. These will be planted in special applications such as hedge resistance.

Breeding work is well advanced in Holland, the U.S. and the USSR. British workers considered that rather than start up their own project they should throw in their hand and resources with the Dutch, who

sights of relief at the end of week and this the floral skirted and smartly tailored butterflies came together for a celebratory drink.

Thank goodness everybody's exam results were satisfactory. Indeed, half the class of eight had got A and B grades. Everybody was united in thanking our teacher—who was an honoured guest at the reunion in a pub near Welwyn Garden City.

Robin, Julie and Clare were engaged in earnest conversation with Pierre, our French teacher, when I came in. Paul, who had always been late for class, had not yet arrived. When he did turn up, half an hour after the appointed time, he was told in no uncertain terms to leave his motor cycling gear outside the pub!

In July we had all undergone the gruelling experience of swotting for and finally sitting a 7½ hour written French exam, split into three parts, and an oral. We had supported and encouraged one another and been supported and encouraged by our teacher.

For two of us nothing much had changed. Pierre will go on explaining the vagaries of

coaching and finally sitting a 7½ hour written French exam, split into three parts, and an oral. We had supported and encouraged one another and been supported and encouraged by our teacher.

Julie had become a nurse at a London teaching hospital. She had already coped with the problems of a geriatric ward, seen a fellow student faint at her first sight of somebody else's blood, dealt with a bedpan and come to the firm conclusion that, despite her cleverness and academic success, she wanted to be a nurse and not a doctor.

Clare, the class beauty, and Robin had found jobs together at British Airways' West London Terminal. They were presently undergoing a comprehensive training course, which appeared to be being conducted by a computer, programmed by someone with a sense of humour—of a sort.

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He was getting £78 a week on the night shift, he said, as he stood up to buy his round. There was consternation all round the table. The nurse was getting only £20 and the potential British Airways executives £38. I admitted to £4.60 family allowance and Pierre looked thoughtful. There was something wrong somewhere.

Contributors: Michael Blanden, Christopher Parkes, Adrienne Gleeson and Pat Walker

TODAY—Prime Minister goes to Balmoral for annual weekend to the Queen.

MONDAY—European Central Bankers begin two-day monthly meeting in Basle. August provisional figures for wholesale price index and also retail sales.

Central Government financial transactions (including borrowing requirement), interest rates, and the maximum permitted holding of premium bonds from £2,000 to £3,000. Mr. David Ennals, Secretary for Social Services, opens British Pharmaceutical Conference, Warwick University.

Mr. Stanley Clinton Davis, Parliamentary Under-Secretary of State for Trade, opens Commonwealth Air Transport Council meeting.

Economic Diary

Church House, Westminster (until September 15).

TUESDAY—Liberal Party Conference opens, Southport Theatre (until September 15). Building Societies' receipts and loans.

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WEDNESDAY—Index of Industrial Production (July, provisional). Mr. Denis Healey, Chancellor of the Exchequer, addresses Air Transport Council meeting.

FRIDAY—Usable steel production (August). Retail prices index (August). Electrical

Telecommunication and Plumbing Union industrial conference, Goodricks College, University, York.

THURSDAY—Balance of payments current account and overseas trade figures (August). UK banks' assets and liabilities.

Building Societies' receipts and loans (mid-August). London dollar and sterling certificates of deposit (mid-August). Bank of England quarterly bulletin will include second quarter figures for UK banking sector; financing of the Central Government Borrowing Requirement; and money stock.

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Electronic

Telecommunications and

COMPANY NEWS + COMMENT

Alfred Herbert loss reaches £2.4m

FOLLOWING THE warning in May that a loss seemed unavoidable for Alfred Herbert in 1978, the State-owned machine tool group has announced a pre-tax deficit of £2.4m for the first six months. The group, which has suffered from collapse in 1974-75 with a Government injection of £23m cash, achieved a profit of £43.6m in the first half of 1977 but ran into losses of £672.6m in the second half.

John Buckley, chairman, describes the results as a "second setback" after the promise of recovery indicated by the group's position in the past two years.

Corrective action being taken will not become effective until the end of the year so losses will continue into the second half.

In addition substantial redundancy costs put at between £2m and £2.5m will be incurred in connection with the reorganisation at the Edington, Coventry plant where it is planned to cut the workforce by a further 720.

Early last month Herbert shop stewards were warned that a further 900 jobs might be lost at this plant unless negotiations proceeded smoothly and quickly on these redundancies.

St John says that the Coventry plant has been central to the group's problems for some time and it is here that the bulk of the loss has occurred. Once the plant is reorganised with productive capacity more related to demand the fortunes of the group as a whole should start to improve.

St John says there has been a reorganisation of management and the Board of the parent company, Herbert, has been strengthened by the addition of three non-executive directors.

Explaining the setback the chairman points to three main causes—low demand, increased costs and compulsory wage

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre- sponding date	Total	Total for last year
A. and C. Black	24t	Nov. 10	12	44	45
Bracken Mines	int. 2	Oct. 21	0.7	—	1.5
Britannia	0.7	Dec. 8	0.82	1.47	1.32
Cray Electronic	0.96	Nov. 10	23	55	34
Kinross Mines	32t	Nov. 10	3	21	3
Leslie Gold Mines	14t	Nov. 10	0.88	1.07	1.25
LSM	1.17	Nov. 10	190	1.15	1.15
St. Helens Gold	0.72	Oct. 5	0.72	1.92	1.92
Winkfield Mines	76s	Nov. 10	47	129	86

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. £On capital increased by rights and/or acquisition issues. £South African cents throughout.

Cray ahead at £0.61m

FOLLOWING THE first half increase from £20.7m to £21.0m, profits before tax of Cray Electronics improved to £60.711m in the year ended April 30, 1978 compared with £44.176m in the previous year. Turnover amounted to £11.3m (£8.37m).

After a £268.237 (£136.770) earnings per share are shown at 4.26p (3.89p) on increased capital. A final dividend of 0.6561p makes a total of 1.4561p compared with 1.22p previously.

In April, directors had forecast £1.42p of 0.842p prior to Capital for Industry (formerly Spey Investments) taking a controlling interest of over 70 per cent.

Extraordinary items of £0.545 (£0.299) for the year include full

provision for the outstanding balance of an old claim on the Ministry of Defence arising from cancellation in 1971 of a major project.

The directors say this claim is still being rigorously pursued but consider it prudent to make this provision in view of the considerable lapse of time since cancellation, recommended.

The year was a period in which the actions taken to adjust to an unsettled business climate produced results that show a welcome improvement in profits, the directors say.

These results have reversed the trend seen by last year's accounts and, when coupled with the improvement in orders, demonstrate the more healthy state of the group's affairs.

Mr. W. R. Haines, the chairman, is retiring on completion of the AGM on October 24. He will remain a consultant to Cray and thereby maintain a continuing relationship with the group. Mr. B. A. Solomon has agreed to succeed Mr. Haines.

Turnover for the period was £18.7m, profits of £1.09m, net profit of £0.51m, and a final dividend of 0.6561p per share.

Capital for Industry (formerly Spey Investments) taking a controlling interest of over 70 per cent.

Extraordinary items of £0.545 (£0.299) for the year include full

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SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

Carrington Vyella has emerged as the new bidder for J. Compton Sons and Webb whose shares were suspended last week at 43p. The offer comprises four Carrington shares plus 30p cash for every three Compton shares. Carrington informed Compton on August 31 that it intended making an offer for the ordinary shares and the following day Compton asked the Stock Exchange to suspend dealings so that discussions could take place. This occurred exactly a week after it was announced that bid talks with Vantona had broken down because of lack of agreement on terms.

Starwest Investment, the private company headed by Trident Group's chairman Mr. Remo Dipre, has finally won the acceptance of the independent directors of Trident for its revised bid of 85p per share. The bid had been bitterly contested by the independent directors who called Mr. Dipre's first offer of 63p opportunist and not in the best interests of shareholders. The new offer represents an increase of 80 per cent over the market price of Trident's shares prior to the first bid and this consideration now appears to have outweighed the earlier grounds for rejection which were profits recovery and the property potential of the Kingston site.

The Australian Government has blocked Brooke Bond Liebig's £204m bid for Bushell's Investments, Australia's largest tea company, just three months after announcing relaxation of the rules governing foreign investment in the country. The proposed merger has been rejected under the 1975 Foreign Takeovers Act because it was thought to be contrary to the national interest.

Several more institutional fund managers have joined the group which believes that the offer by S. Pearson and Son for the minority of Pearson Longman is inadequate. Their view is that Pearson ought to have offered a larger premium to entice minority shareholders to let themselves be taken out of a company in which they had long-term confidence. The critical question is whether the dissidents will be able to muster the 3.75m shares needed to defeat the bid when the vote is taken.

Goode Durrant and Murray has come to the rescue of its publicly quoted subsidiary, Rawlings Bros., by making a 10p per share offer for each of the 1.7m shares not already owned.

Reynolds Metals has sold its 49 per cent shareholding in British Aluminium for £45m. Tube Investments has bought a block of 1m shares for £7.75m, but the major part of the Reynolds stake has been placed with numerous financial institutions.

Goldrei Foucard is in talks with an unnamed party which may lead to an offer being made for the company.

Point from the Interim Statement:—

Profit before tax up 11%.

Earnings per share increased by 8.4%.

A worthwhile increase in profitability is anticipated for the whole year.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£'000)	Interim dividends* per share (p)
Abel Morrell	June 30	177	0.576 (0.576)
BICC	June 30	27,972	1,235 (2,25)
Blackwood Hodges	June 30	8,602	7,647 (0.867)
Cadbury, Schweppes	June 30	120,000	7,795 (0.981)
Collins (Wm.)	June 28	12,580	0.93 (0.95)
Carwell Dresses	June 30	1,200	2,086 (2,086)
Cosalt	July 2	46	1.0 (0.807)
Costain (Richard)	June 30	1,204	1.0 (0.807)
Davies Estates	June 30	141	2,375 (2,306)
Dewhurst (J. & J.)	July 14	604	0.25 (0.11)
Exectuted	June 30	55	0.5 (0.45)
EIS	June 30	875	1,072 (0.975)
Fairbairn Lawson	July 31	747	2.0 (1.0)
Garners Dudley	June 30	573	1,502 (1.75)
GRE	June 30	873	0.743 (0.686)
Hall (R. H.)	June 30	1,250	4,658 (4,285)
Heworth Ceramic	June 30	14,880	1,140 (1.140)
ICI	June 30	251,000	10.0 (0.0)
ILM	June 30	15,700	15,000 (15,000)
Le Bas	July 1	212	1,014 (0.908)
L.K. Indl. Invs.	June 30	165	1,62 (1.31)
Lynden & Evelyn	June 30	357	1,185 (1.185)
Metcalfe Charcoal	June 30	8,000	5,25 (5,25)
Morgan Crucible	July 2	800	8,686 (8,686)
Morris & Blakey	June 30	181	1,73 (1.75)
Mysen Group	June 30	729	1,23 (1.11)
Newbold & Burton	June 30	219	1,33 (1.198)
Nurdin & Peacock	July 1	1,500	0.87 (0.79)
Ormeau	June 30	2,480	1,680 (1,067)
P. O.	June 30	2,600	3.0 (3.0)
Phoenix Assurance	June 30	2,800	1,200 (1,200)
Pitland	June 30	380	1,257 (1,102)
Piessey	June 30	12,410 [†]	12,390 (12,390)
Portals Hedges	June 30	4,111	3,83 (3,51)
Provident Financial	June 30	4,050	1,802 (1,613)
Reevelex	June 30	1,810	1,17 (1.17)
Rowson	June 30	1,000	0.7 (0.7)
Sharp & Fisher	June 30	455	2,744 (2,457)
Sun Alliance	June 30	20,700	11.0 (10.0)
Travis & Arnold	June 30	2,180	0,773 (0,692)
Wagon Finance	June 30	1,307	0,625 (0,625)
Whitbread	Apr. 30	38	1,290 (1.102)
Wilson Connally	June 30	1,550	1,180 (1,247)

* Figures in parentheses are for corresponding period.

** Dividends shown not except where otherwise stated.

† Adjusted for any intervening split issue.

‡ Based on 7.978.

§ At suspension.

|| Estimated.

||| Shares and cash.

||| Based on 8.978.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£'000)	Earnings* per share (p)	Dividends* per share (p)
Armitage & Rhodes	Mar. 31	811	1,126	5.3 (2.3)
Bertram Rubber	Mar. 31	556	1,651	6.9 (7.1)
Centors	Apr. 29	320	1,233	7.5 (2.6)
Cassett (S.)	June 30	1,100	11.4 (8.0)	2.15 (1.45)
Decca	Mar. 31	12,000	15,888	2,27 (35.4)
Eximbank	Mar. 31	3,000	3,320	1,23 (23.5)
Fitzwillton	June 30	1,000	411	1.0 (0.3)
Group Lotus	Dec. 31	537	1,170	4.7 (0.3)
Guinness Peat	Apr. 30	11,070	40,070	24.3 (29.1)
Moritex	Feb. 28	101	1,251	0.8 (—)
Reardon Smith	Mar. 31	12,700	15,000	0.1 (1.1)
Saville Gordon	Apr. 30	753	1,924	3.4 (4.0)
Wades Stores	Apr. 30	1,020	1,870	2.26 (2.02)
Zetters	Mar. 31	1,047	1,051	1.21 (1.162)

Offers for sale, placings and introductions

Bournemouth Borough: £5m Variable Rate Redeemable Stock 1983 at 59p per cent.

Howard and Wyndham: £1m 15 per cent Unsecured Loan Stock 1976-91 at par.

Scrip Issues

Ferranti: NEB stake to be reduced from 50 per cent voting shares and 12.1 per cent non-voting shares to straight half share after one-for-one scrip issue and share sale to Ferranti holders.

Provincial Laundries: £1 nominal 12 per cent Convertible Unsecured Loan Stock 1986/88 for eleven ordinary.

Rights Issues

EPC: Three-for-ten at 44p.

Hill and Smith: One-for-seven at 75p plus £2 nominal 14 per cent.

First Mortgage Debenture Stock 2000/2003 for eleven ordinary.

Ratners (Jewellers): One-for-ten at 40p.

A. Dunhill buys 80% share in jewellery business

BY MAURICE SAMUELSON

ALFRED DUNHILL, the tobacco company, has acquired Collingwood, the privately-owned, 161-year-old London jewellers and silversmiths, with a shop in Conduit Street, and a jewellers' department at Harrods. Dunhill already owns Simmonds in Burlington Arcade.

Dunhill, a subsidiary of Rothmans International since 1965, says that it will not use the Collingwood shop as a conduit for its own products, which range from expensive lighters and pipes to pens and toiletries.

The deal—£1.4m for 80 per cent of Collingwood's ordinary shares—was solely to "broaden its financial base."

Dunhill is no stranger to the business, having sold jewellery in its shops since the 1920s.

In spite of the Rothmans take-over 15 years ago, family tradition remains strong. Mary Dunhill, the 72-year-old president, is the daughter of the Alfred Dunhill who founded the company. Her nephew, Richard, is the chairman.

In the same spirit, Collingwood will be allowed to retain its distinct character and its present management.

Last year Dunhill, which had a £52m turnover, bought Montblanc, the old-established West German pen company, founded in 1907—the same year as Dunhill was founded.

Microwave coverage 'one-sided'

Financial Times Reporter

MICROWAVE OVEN manufacturers and importers, dissatisfied with the "one-sided" coverage given to their products on a recent television programme, have demanded an investigation and the right to make a programme showing their side of the story.

The recently-formed Microwave Oven Association has written to the Independent Broadcasting Association to complain about the way in which the World in Action programme and its investigation is under way.

The association is concerned that consumers have panicked that they will be exposed to microwave ovens.

Good development sites and needless over the possible mortgage assistance of up to 75% of the building's costs.

Technical advisors from the association are compiling information on microwaves which could be offered shortly to consumers.

Apart from stimulation for consumer organisations, health investment after the discoveries of natural gas in the Irish Sea, the domestic microwave oven has not made a great impact in the UK but Toshiba, one of the main producers, claims about 60 per cent of the microwave market in Britain, estimates that about 55,000 microwave ovens will be sold this year.

Why Imperial's bid has been cleared

GEOFFREY OWEN examines official attitudes to mergers and competition

18.20 per cent of the egg business,

although that might underestimate the impact of the merger on competition.

One effect of the deal will presumably be to re-establish Eastwood's membership of the Goldenlay consortium, an egg marketing organisation which, as

apparently was not due to a tax that did not yet exist.

Accordingly, the interest rate

on the instrument was not an

emendation of the 1970 Act, so

transactions, in both directions,

technically, the original rate still

should have been 6 per cent.

The Revenue said that it was 6 per cent of the development land tax

applies in the single instance

of the development land tax

applied to existing taxes but

obviously would not have

referred to a tax that did not yet

exist.

Accordingly, the interest rate

on the instrument was not an

emendation of the 1970 Act, so

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Union Oil to sell stake in Maruzen

By Richard Hanson

TOKYO, Sept. 8.

MARUZEN OIL has agreed to buy back all of its shares held by Union Oil of the U.S. currently Maruzen's largest shareholder. Union holds 55.7m shares in Maruzen. These are equivalent to about 20 per cent of all outstanding shares and are worth around \$55m at today's stock market close.

Maruzen's share price on the Tokyo Stock Exchange gained Y15 to a new high for the year of Y162 following reports of the buy back arrangement. Maruzen said the shares will be repurchased at a reasonable price, with companies affiliated with it like Kansai Oil and members of the Sanwa Bank business group absorbing them. Sanwa is a large shareholder and Maruzen's main bank. The transaction is expected to be completed either by the end of this year or next March.

Maruzen's purchase of the shares from Union Oil, which supplies roughly half of its oil needs, will leave the company nearly 100 per cent domestically owned, and perhaps qualify it for special concessions and other assistance from the Japanese Government. The liquidation of Union Oil's stock position won't change its business connections with Maruzen, according to a Maruzen spokesman.

Union Oil pumped funds into Maruzen in 1963 when the Japanese company was suffering from a shortage of capital and cost of constructing refinery facilities. In the initial stages Union Oil's share of Maruzen's capital amounted to about 33 per cent.

The agreement to sell the shares may have been influenced by the poor business results Maruzen has posted recently. In the year which ended March 31, net profit plunged to Y345m from Y5.135bn. Sales fell slightly by 13 per cent to Y77.36bn.

Gränges expects to move out of red in 1979

BY WILLIAM DULLFORCE

GRÄNGES, the Swedish metals and engineering group, is heading for a recovery following the disposal of its steel and mining operations.

Pre-tax losses for the first half of 1978 are Skr 138m (\$31.3m) against Skr 335m during the first half of 1977. Mr. Bo Abrahamsson, the new managing director, is confident of cutting losses for the whole of this year from close to Skr 800m in 1977 to under Skr 100m. He has also forecast that Gränges will show a profit in 1979.

First-half turnover was Skr 2.6bn (\$600m), including sales from stock to the new state-owned concern which acquired Gränges steel and mining operations. This compares with Skr 2.7bn. The operating loss

after depreciation was pulled back from Skr 222m to Skr 7m. This covered a loss of Skr 41m by the shipping fleet, which is being sold off.

Net financial charges climbed Skr 15m to Skr 131m, as the group took up Skr 255m in new medium and long-term loans during the period. The borrowing requirement is expected to be much smaller during the second half with new debt commitments for the year as a whole reaching some Skr 360m.

By the end of 1978 Gränges should still have about Skr 300m in liquid assets. Investments during the first half amounted to Skr 79m and are expected to total about Skr 210m for the year as a whole, but a large part will be financed from a state credit facility for the reconstruction of the steel and mining operations is estimated to have relieved the accounts by Skr 350-400m a year. Another cash drain, the shipping fleet, which lost Skr 184m last year, is now being eliminated. Of the 12 vessels owned by Gränges at the beginning of the year only three remain with three more under charter. The sale of the ships is not reflected in the half-year figures.

STOCKHOLM, Sept. 8.

Marseilles ship repair group to be wound up

By David White

PARIS, Sept. 8.

A TEAM of receivers which has for five months been seeking a solution for the leading Marseille ship repair group, Terrin, today announced that the 13 companies which comprise the group would be wound up.

The receivers' conclusion, presented to the Marseilles commercial tribunal, follows the rejection by employees of a takeover plan by M. Gilbert Fournier, chairman of a Normandy ship business, Chantiers du Havre. The plan involved 700 redundant.

daughters in listed companies include 2.1m shares in Associated Paper and Paper Mills, Beach Petroleum, 2m in ESSO, and Standard, \$290,000 in Western Mining Corporation, and \$72,000. The plan involved 700 redundant.

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The major cause of the group's difficulties has been its phosphate mining operations in Queensland, which have run up losses of more than AS20m in the past two years, although it has also incurred tax losses of more than AS17m from its Cobal copper-zinc operations in New South Wales. The directors have been seeking to sell an equity in the phosphate venture for some time but have been unsuccessful.

Moreover, the prospects for contribution to this venture in the near future are not encouraging.

The directors have therefore started selling part of the listed and unlisted portfolio.

The proceeds from the sales will be applied in substantially reducing consortium loans and other group liabilities associated with the development of the phosphate venture and the provision of infrastructure in North-West Queensland. Production of phosphate rock was terminated on June 30 this year. The directors said that the major reductions in group liabilities and interest payments was being undertaken in the long-term interests of the group.

The first victims of today's sales were over 1,000 employees of Societe Provencale des Ateliers Terrin (SPAT), the pivot of the group, who were told they were being made redundant. The group employs 4,000 and a large number of sub-contractors in the region depend on it.

The liquidation of Terrin is expected to bring bitter protests from labour organisations. Other repair yards, some of which have had orders cancelled because of uncertainty over the labour situation, are expected to close in the wake of Terrin.

M. Gaston Defferre, Socialist mayor of Marseille, warned yesterday of the possibility of a general strike in the port. France's largest and number-two European, which he said would cost Fr 25m to Fr 450m in a month (\$1m to \$100m).

Prospects for an agreed settlement at Terrin have deteriorated rapidly in recent weeks. Last month the chairman of SPAT, M. Guy Pores, resigned, and was followed by the new chairman of the holding company, Somerex, M. Pierre Blum.

The crisis was precipitated in April, when the company warned that it would not be able to pay that month's salaries in full. Strike action led to Terrin filing for bankruptcy.

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Financial Times Saturday September 9 1978

Country 6.45% 6.70% 7.93% 7.20% 2 yrs., 7.70% 3 yrs.

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

THE SCOTCH OF A LIFETIME

The Buchanan Blend

MINES—Continued

CENTRAL AFRICAN

AUSTRALIAN

OILS

TINS

COPPER

MISCELLANEOUS

NOTES

TEXTILES

RUBBERS AND SISALS

NOTES

INDIA AND BANGLADESH

AFRICA

CENTRAL RAND

EASTERN RAND

PACIFIC R

REGIONAL MARKETS

NOTES

IRISH

OPTIONS

3-month Call Rates

NOTES

Cruising means



MAN OF THE WEEK

A firmer hand on the helm

BY IAN HARGREAVES

KENNETH James William Mackay is a copybook earl. At 80 he has behind him Elton, Trinity, the Lancets and a business career of solid eminence in the former colonies and in the City. His hobbies, be it's impeccably shooting, stalking, hunting and fishing.

But yesterday Lord Inchcape was more than a little indignant about the fuss caused in certain quarters of the City by the news that after five years as non-executive chairman of P & O, he is establishing his presence on the bridge more firmly by becoming chief executive as well.

Partly his indignation represents a shy and quiet man's straightforward dislike of fuss. But he also insists that the quest for wider motives behind the change is unnecessary, almost one might say impertinent.

"I just feel that for a company and an industry which is generally depressed and facing great difficulties that a non-executive role is unsuitable for the chairman," he says.

There may, he adds, be some minor management reorganisation as P & O adapts to his own increased presence alongside the continued presence of Mr. Sandy Marshall as managing director, but no further changes are planned in the membership of the board or the structure of the company.

The City, naturally, has not been short of more colourful conjectures. According to these theories, Lord Inchcape has been



LORD INCHCAPE

No hidden motives behind the change

manoeuvred in by the institutions to stop the rot in P & O's profits, has reassured himself to quiet internal boardroom wrangling, or is plotting the once-mooted convergence of the Inchcape Group and P & O.

Lord Inchcape gives the hypotheses short shrift. He also says that he has not changed his views about the usefulness of non-executive directors either as a result of his experience at P & O or at Burmah Oil, where he and three other non-executive directors resigned when the company's huge financial problems became apparent.

In what has been a trying week, he also had to reassure stockholders at the annual meeting yesterday of the Inchcape Group, of which he is also executive chairman, that his new job at P & O would not mean him neglecting Inchcape and the £16bn of business its myriad of trading companies carried out last year. He does expect, however, to be spending more time in the piece of Leadenhall Street owned by P & O than the nearby bit of St. Mary Axe owned by Inchcape.

Tussle

This week's events are not, of course, the first time that Lord Inchcape has moved firmly and publicly in response to a crisis in contrast to his preferred style of delegation and devolution. Inchcape became chairman of P & O after one of the most celebrated take-over tussles in recent years, when the shipping company first beat off an approach by Bovis and then within two years bought out the property and banking group.

The question of the moment is, he accepts, how P & O is to deal with the shipping crisis which pre-tax profits from £26.9m to £11m.

He discloses no instant changes of policy, but argues that the British shipping industry is unlikely to regain the size and status it enjoyed prior to the slump. Does that mean more diversification for P & O out of ships? For the moment, Inchcape is not saying, but is hurt that some newspapers and commentators have in the past few days dubbed him a "non-shipping man" in contrast to Mr. Marshall.

Perhaps the chairman and chief executive of the Peninsular and Oriental Steam Navigation Company can at least win acceptance of that point.

FINANCIAL TIMES

Saturday September 9 1978

STRATHSPEY
100% Highland Malt Whisky
Togaidh E Suas
Ur Misneachd

Leyland talks called over toolmakers' strike threat

BY NICK GARNETT, LABOUR STAFF

AN EMERGENCY meeting of the gress towards settling their pay BL Cars Council, the highest tier of parity dispute. If that remains in the company's participation in the structure, has been hurriedly convened for Monday to discuss the implications for Leyland of the threatened toolmakers' strike.

Management decided to

arrange the meeting late last

night after the series of talks

this week between union officials

and striking toolmakers at SU

Fuel Systems, broke down yester-

day in some disarray.

Expulsion

Leaders of the 32 toolmakers, who are seeking a 27 a week pay increase to bring them to the level of toolmakers at the Rover plant in Solihull, said last night that they would still appear at an Amalgamated Union of Engineering Workers district committee meeting in Birmingham on Tuesday, to which they have been summoned.

The talks this week, however,

have made virtually no pro-

gress towards settling their pay parity dispute. If that remains in the company's participation in the structure, has been hurriedly convened for Monday to discuss the implications for Leyland of the threatened toolmakers' strike.

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Toolmakers

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The meeting yesterday, which involved the SU toolmakers, Mr. Ken Cure, the Birmingham East district secretary, and Mr. Bill Jordan, the union's divisional organiser ended in bitter accusations.

Mr. George Regan, the SU strike leader said they were no nearer finding common ground with the company, and that suggestions that they were made a "special case" had founded. He was still hopeful that full-time negotiations would continue with the company.

Mr. Cure said that on Thurs-

day the strike leaders had agreed

not to oppose a return-to-work

recommendation that would have

been made to a meeting of the

3,000 toolmakers in a repetition

of the highly damaging month-

long toolroom strike last year

which cost the company about

£150m.

The only alteration to that

timetable, other than through

further negotiations between

management and union officials,

could possibly occur in the pro-

cessing of the expulsions. If the

men appealed, any executive

ruling that they remained in the

union until the appeal was heard,

would defer the ultimate decision

until an appeal court hearing in

October.

In the group's other major

trouble spot, Leyland Vehicles

has told shop stewards at its

Bathgate plant and tractor plant

in Scotland that the transfer of

production from the company's

Albion factory was being

suspended indefinitely or until it

was felt necessary that the trans-

fer should go ahead.

Integration of production

between the two plants is quite

advanced. Although the company

says that the decision was being

delayed by a decision in the

nation's election limbo for

ever longer. We are now appar-

ently condemned to months of

knife-edge Commons divisions,

and unceasing political specula-

tion. Perhaps the most convincing

explanation of the strength of

equities is the F.T. 30-Share

Index is up 19 points on the

week—in that fund managers

are being forced off the fence.

Many were prepared to let their

liability build up during a

General Election campaign. But

with the poll postponed

indefinitely they no longer have

a plausible excuse for remaining

inactive.

At a deeper level the argu-

ment is going on between the

bulls, who believe that a

so-called part of the normal 10

per cent allowable increase in

power will have to follow

neutral economic policies, and

the bears, who fear that the

liquidity build up during a

General Election campaign. But

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a plausible excuse for remaining

inactive.

In retrospect, the company

ought to have warned share-

holders last year that they

would not be entitled to auto-

matic 10 per cent growth this

year. But maybe GP hoped

it would be covered by a

rights issue, or another take-

over, or the ending of controls.

Plessey

Last Tuesday Plessey an-

nounced that first quarter

losses of £1m at Garrard had

been a major factor in prevent-

ing the group from showing any

profit for the period. But it was yesterday before the

group announced major reduc-

tions at Garrard, in a move

to concentrate activities at the

upper end of the market.

The news of decisive action

was taken quite well by the

stock market; though the 4p

rise in the share price to 215p

was the lowest of these fig-

ures, it turned out to be over-optimis-

tic. Last month Plessey had

been keeping a significant

portion of its 5,000 work-

ers employed in producing mach-

tools for stock. It now

enough stocks for possibly

months' sales, compared with

more